BANKERS' ADVANCES AGAINST PRODUCE

FROM THE SAME PUBLISHERS

BANKERS' ADVANCES. By F. R. STEAD. *Associate of the Institute of Bankers.* Edited by SIR JOHN PAGET, K.C. In this new book Advances against Marketable Securities, Goods and Produce, Real Property, Ships, Debts, Debentures, etc., are explained in a comprehensive manner, and the considerations, necessary in Granting Advances to Local Authorities, Building Societies, Partnerships, Joint Borrowers, Trustees, Personal Representatives, etc., receive adequate treatment. In demy 8vo, cloth gilt, 144 pp., **6s.** net.

BANKERS' SECURITIES AGAINST ADVANCES. By LAWRENCE A. FOGG, *Certificated Associate of the Institute of Bankers.* This book, which explains the theory and practice relating to the various classes of securities handled by bankers, will prove specially valuable to Bank Managers and Chief Clerks, and it is also intended for the use of candidates for the examinations of the Institute of Bankers, and other students of banking theory. In demy 8vo, cloth gilt, 123 pp., **6s.** net.

TITLE DEEDS, AND THE RUDIMENTS OF REAL PROPERTY LAW. By F. R. STEAD. In this book the author has brought together the results of a special study and of an exceptional amount of actual experience in the examination of title deeds. It will be found particularly interesting to bankers and others to whom a knowledge of the subject is useful. Third Edition. In demy 8vo, cloth, 151 pp., **6s.** net.

BANKERS' ADVANCES AGAINST PRODUCE

ALFRED WILLIAMS
FELLOW OF THE INSTITUTE OF BANKERS; OF THE BANK OF LIVERPOOL AND MARTINS, LTD., LIVERPOOL

LONDON
SIR ISAAC PITMAN & SONS, LTD.
PARKER STREET, KINGSWAY, W.C.2
BATH, MELBOURNE, TORONTO, NEW YORK
1922

FOREWORD

I WISH to acknowledge my indebtedness to my colleagues in the Liverpool Banks, who by their valuable suggestions and advice have greatly assisted me in the preparation of this book.

I am also indebted to the publications enumerated below, free use of which I have made.

ALFRED WILLIAMS.

THE JOURNAL OF THE INSTITUTE OF BANKERS, NUMEROUS ARTICLES THEREIN.
BANKERS' ADVANCES ON MERCANTILE SECURITIES, A. R. Butterworth
SALE OF GOODS ACT, 1893, AND THE FACTORS' ACTS, 1889–1890, Sir W. D. Chalmers, K.C.B., C.S.I.
THE FACTORS' ACT, 1889, C. H. L. Neish and A. T. Carter
THE FACTORS' ACTS, H. Cassie Holden, B.A., LL.B.
THE LAW RELATING TO FACTORS, P. T. Blackwell
ELEMENTS OF MERCANTILE LAW, T. M. Stevens, D.C.L.
LAW OF PARTNERSHIP, A. Underhill, A.M., LL.D.
CARRIAGE OF GOODS BY SEA, T. G. Carver, M.A.
LAW DICTIONARY, G. Sweet
THE LAW OF BANKING, Sir John R. Paget, Bart., K.C.
GRANT'S LAW OF BANKING. A. M. Langdon, K.C., Herbert Jacobs, and A. C. Forster Boulton
THE LAW OF BANKING, Heber Hart, LL.D.
THE ACCOUNTANT'S COMPENDIUM, Sidney S. Dawson, M.C., F.C.A.

CONTENTS

BANKERS' ADVANCES AGAINST PRODUCE

CHAPTER I

A BRIEF ACCOUNT OF HOW THE ADVANCES ARE ARRANGED AND OF THE DOCUMENTS IN USE

Two divergent views have been held by bankers and by writers on Banking Law with regard to the desirability and safety of advances against produce. Mr. John Hutchison may be taken as the exponent of one of these views, and Sir John R. Paget as the exponent of the other.

Mr. John Hutchison in his *Practice of Banking* makes the following remarks—

> "It will be observed from the forms of the documents known as Brokers' Undertakings or Brokers' Engagements in connection with produce (see *Miscellaneous Forms*, Vol. IV), that these are utterly worthless as securities. The shareholders of banks suspected of making advances on such documents should demand explicit information on the point, and if found to be made, steps should be taken by them to prevent a repetition of the practice. Large sums, we believe, are frequently lost to shareholders in connection with advances of this description made in Liverpool, and in one or two other seaports, where, as has been observed, 'commercial thimblerigging runs riot.' If assistance

by traders is required in this way, the formation of a 'Traders' Loan Company might be projected, with its object openly professed, or a 'Traders' Pawnbroking Company, to meet the case of loans made exclusively on warrants, Delivery Orders and Warehousekeepers' Certificates. There might, however, be instituted with effect a 'General Hypothecation Company' by whom guaranteed transferable warrants for convenient amounts might be issued and occasionally accepted by the banks against advances."

It will be noticed how very different in tone and in view is the following extract, which is taken from Sir John Paget's *Law of Banking*—

"Provided the banker is dealing with honest and responsible persons, documents of title to goods, such as Bills of Lading, Dock Warrants, Warehousemen's Certificates, Delivery Orders, and the like, are convenient securities for advances. By means of them goods can be effectively pledged, which obviously could not otherwise be so utilized by reason of their bulk. By means of Bills of Lading, in especial, goods on the high seas can be hypothecated before arrival, and thus used as security for bills given for the price. The Factors Act, 1889, the Sale of Goods Act, 1893, constitute a praiseworthy effort to protect bankers and others who take such documents as security. They do not profess to elevate them to the position of the banker's ideal security, the fully negotiable instrument to which he acquires an indefeasible title, whatever the customer's position, whether the customer is honest or not, whether the security is his own or he has authority to deal with it, or not,

and whether the banker takes it for an existing debt or a fresh advance. And, unfortunately, the provisions of the two Acts are so tangled, so overlapping and complicated by cross-reference and the idea of reducing everything to the common denominator of the 'Mercantile Agent' that, for want of certainty, the safeguards are not so reassuring as they were doubtless intended to be. Yet it is to these Acts that the banker has to look when confronted with questions of title or authority in relation to documents of this sort pledged as security for advances. For, with the possible exception of Bills of Lading, no document of title to goods is a *negotiable* instrument in the strict sense of the word. The documents are merely symbols of the goods, and the idea of indirectly making goods negotiable has no place in law."

These being the two divergent views, readers will expect me, at the outset, to say to which school I belong. Do I take the somewhat contemptuous view of produce advances which Mr. Hutchison holds, or do I side with Sir John Paget? I may frankly say that no banker, who has ever been engaged in produce advancing in Liverpool, could hesitate for a moment. Produce advances are made in that city, and in many other cities in this country, on lines not altogether free perhaps from legal difficulty or complication, but on lines which, in practice, are found to work in the interests both of the bank and of its customer. I am free to admit that advancing against produce is probably the most difficult part of a British banker's work, and that it is only by gradual experience that a banker can learn to avoid pitfalls which attend this particular class of business. Given, however, the experience, there is no reason

why a banker of ordinary intelligence should not safely and profitably conduct the business of advancing against produce. In making such advances it is true that much money has been lost, but infinitely more has been made by bankers, and it is well worth while to try to master the underlying principles and leading legal and commercial considerations which govern the practice of produce advances.

In the present chapter I propose to describe in non-legal phraseology the financing of produce from the time it is shipped to this country up to its sale to the British consumer. In subsequent chapters the documents of title, the forms of lien and pledge, the questions of storage, insurance, and marketability of the different kinds of produce will be dealt with.

When we speak of produce in connection with our subject, we mean produce imported from abroad, such as cotton, wheat and other grains, rubber, tobacco, provisions of all sorts, timber, metals, and raw products generally, but, for purpose of illustrating the subject, *Raw Cotton* will be considered. The important cotton markets in this country are in Liverpool and Manchester. In both places, but particularly in Liverpool, there are established a large number of firms dealing in the import of raw cotton from the United States, Egypt, India, Peru, Brazil, and other countries. Most of the firms are of such standing, both in character and in financial position, as to justify a banker in accepting them as borrowing customers. The usual procedure is for the cotton importer or merchant to see his banker some time before September or October, which is the beginning of the cotton season, and arrange with him the accommodation the banker is prepared to grant during the coming season. Bearing in mind that

the cotton season, so far as importing is concerned, is a short one, shipments have to be crowded into a very few months, the height of the season being reached in November and December, and it is at that time, accordingly, that the maximum accommodation is required. The merchant may say "I want to run up to £200,000 in all." If he possesses sufficient capital the arrangement usually made with his banker is that he may have, say, £20,000 of accommodation without security. The remaining £180,000 must be secured by cotton in the form of Bills of Lading or Warehouse Receipts in the bank's name, showing a margin in value of 10 per cent, *i.e.*, £198,000 worth of cotton would be required to cover the £180,000 of accommodation.

Now it is quite obvious that when the merchant sells his cotton, he has to repay the bank, and this may be done in two ways: Firstly, the merchant may pay the bank cash against cotton released to him, or, secondly, the bank may entrust the merchant with the cotton in order that he may sell it and pay the proceeds, when he receives them, to the bank under his Trust Engagement. This latter method is the one generally adopted. Accordingly, the banker arranges with the merchant at the opening of the season the extent to which Trust Engagements will be taken by the bank. In the above case, the accommodation may take the following lines—

Total accommodation running at one time—£200,000—of which

£20,000 may be unsecured,

£20,000 against Trust Engagements for cotton, and

£160,000 secured by cotton, with the usual margin.

These figures are taken by way of illustration.

The limits of accommodation usually run between £50,000 and £200,000, but at the height of the season, in the case of rich and powerful firms, the limits run to higher figures still.

The merchant, having arranged his banking accommodation, instructs his House or his agents in America or Egypt, or elsewhere, as the case may be, to buy the cotton, which is usually done either direct from the cultivator, or from local dealers; at any rate the cotton is got together, pressed into bales, and either taken to the ship's side as it is at Alexandria, Savannah, New Orleans, and some other ports, or delivered to a railroad in the interior for conveyance to the sea-port, and shipment thence to Europe.

In the first case, viz., shipment on board a steamer without intervention of a railroad, the ship's Bill of Lading is obtained in exchange for the cotton, and in the case of all cotton—except American cotton—a ship's Bill of Lading is thus obtained. In the case of American cotton, however, the great majority of shipments are made by means of the railroads from some interior point, and a "Railroad" or "Through" Bill of Lading is obtained in exchange for delivery of the cotton to the railroad. The Bill of Lading—whether ship's Bill of Lading or Through Bill of Lading—is then attached by the shipper to the draft drawn by the shipper either upon the importer in Europe, or, as is more frequently done, upon the importer's banker.

In the case of American drafts, they are drawn at sixty or ninety days' sight; in the case of Egyptian, at three months' date; and in the case of other countries, at various tenors; but seldom less than three months. The draft, with Bill of Lading attached, is sold to Exchange buyers—generally banks—who

transmit the Bill and Bill of Lading to their European banking agents. The great mass of bills drawn on English importers and their bankers are sent to Liverpool or Manchester, as the case may be, presented for acceptance, and after acceptance forwarded to London banks, who are the agents of the Exchange buyers. In the case of drafts on banks, the Bills of Lading are detached by the bank against the bank's acceptance of the bill. In the case of drafts on the importers themselves, the accepted drafts with relative Bills of Lading attached, usually lie with the Exchange buyers' Liverpool or Manchester agents, pending arrival of the cotton, when the acceptors come forward and take up the drafts and documents under rebate.

Marine Insurance is attended to either by the shipper, or by the importer, as may be arranged. If the shipper attends to it, which is usually the case, a certificate of Marine Insurance accompanies the Draft and Bill of Lading. If the importer attends to it, he usually covers under Floating Policies on this side.

In the case of the Shipper's Draft being drawn on the bank, the bank accepts the draft under the definite instructions of its customer furnished at the time the draft is presented (the customer usually inspecting the shipping documents first) and retains the shipping documents as security for the bank's liability as acceptor. The letter of instructions should be worded so as to protect the bank against defective documents. (See Appendix forms N and O.) In the case of the draft being drawn on the importer, he, when he wishes to take it up, usually goes to his bank and requests them to retire his draft and get the shipping documents. These documents are then held as security for the advance which is thus given. The bank,

accordingly, in either case, usually comes to hold the shipping documents for the cotton. The customer watches for the arrival of the cotton, and the bank does the same, so far as it can, by scrutinizing the list of steamship arrivals and also seeing that the shipping documents do not remain in their hands unduly, but it certainly has to rely in the great majority of cases on the customer searching the ship's manifests and tracing the arrival of the cotton. When the cotton arrives either the Bill of Lading is sent by the bank to a warehousekeeper, with instructions to claim the cotton and store it in the name of the bank—Fire Insurance being attended to by the customer—or it is sent in a Trust Letter (see Appendix for forms of Trust Letters) to the customer himself with similar instructions, or with instructions merely to realize the cotton and pay the proceeds to the bank. It is at this stage that reliance on the Trust Letter begins. In the event of the cotton being stored in the bank's name, Delivery Orders or Transfer Orders may be issued by the bank to the customer and made subject to the original Trust Letter in which the Bill of Lading was sent to him.

Warehouse receipts for any cotton that is stored in the bank's name ought to come into the bank within a reasonable time (the period varies according to the quantity of cotton and the congestion, or otherwise, of the quays); if not received within about fourteen days after the Bill of Lading has been handed to the customer or the warehousekeeper, the bank should enquire as to the position of matters. After storage the cotton lies in the warehouse until the customer wishes to deliver it, or part of it, against sales, such sales being advised by the customer, who gives the names of the buyers, thus placing the bank in a position

to satisfy itself as to the responsibility of the buyers, and to follow the proceeds in case of need. Upon the customer applying to the bank for a Delivery or Transfer Order, this document is handed to him by the bank in trust under the terms of the original Trust Letter. Should no original Trust Letter be in existence, it is necessary to establish one. The bank then has to watch for the proceeds, which ought to be paid in by the customer within a reasonable time after delivery of the cotton to him. If goods are sold C.I.F. the proceeds should be paid in on the same day or within two days; proceeds of other sales within ten days. When the proceeds of the cotton are paid into the bank, they are credited to the customers' account specified on the Trust Engagement, and the accommodation given by the bank is thus discharged.

One great safeguard which applies in the case of advances against American cotton is that all imports of cotton are, or should be, hedged by sales of "Futures"; thus, if the importer buys 100 bales in the Southern States of America, he simultaneously sells 100 bales in the Liverpool "Future" market, so that whether the market rises or falls, he can only be slightly affected. As regards the "position" or maturing date of such "Future" contracts, this is left to the experience and judgment of the merchant. When the merchant sells "Spot" cotton, he cancels his "Futures" by buying them in. It may here be remarked that the fundamental idea of "Futures" was to cover the buying of cotton: they were never intended for gambling purposes.

The same system applies also, to a certain extent, to Egyptian cotton, and other cottons are now covered by selling American Futures.

Cotton has been taken as an illustration because the machinery for dealing with acceptances and advances against cotton is probably more highly developed than in the case of any other produce. The course, however, of the financing of any other produce, such as rubber, coffee, wheat, provisions, etc., is very similar, perhaps the main difference being that in the case of other produce the proportion of drafts drawn upon the banker is not so great as those drawn upon the importer and that the system of hedging by future contracts is less developed. For instance, it is very seldom indeed that drafts are drawn on bankers in connection with the import of provisions from Canada and the States. In the case of produce from the Levant, drafts are drawn, to some extent, upon the importer's banker, but this is not frequently the case in other markets, such, for instance, as the wheat market.

From what has been said it will be seen that various elements demand consideration if a banker is to conduct safely the business of financing produce. These elements, which we will now deal with in order, are as follows—

1. Stability and experience of the Bank's Customer.
2. Stability and experience of the Shipper.
3. Bill of Lading.
4. Marine Insurance.
5. Warehousekeeper.
6. Fire Insurance.
7. Customer's Trust Letter or Engagement.
8. Delivery Order and/or Transfer Order.
9. Market for the particular produce under consideration.
10. Special considerations affecting special commodities.

Stability and Experience of the Bank's Customer.

It would be a mistake for a bank to finance produce business for anyone who is not well known to the banker and completely trusted. It would also be a mistake to finance produce for a man who, however honest, has no capital of his own, for the value of produce fluctuates from day to day, and if a man has no capital he cannot, in a falling market, maintain the margin which the bank requires in its security. Again, the customer must have experience of his market. The bank can only watch the general tendency of markets and check the value of produce by quotations in the newspapers or trade circulars, but there are other risks against which a bank can only be guarded by the experience of its customer. Take cotton, for instance. An importer, through want of experience or judgment, may make the mistake of importing nothing but long staple cotton, which in certain states of the market, is extremely difficult to realize; or again, take the case of lard or canned goods, such as tinned salmon. There may be such a heavy catch of salmon in the particular year when the transaction takes place that an importer is making a mistake if he imports heavily; or Singapore pines imported, and the summer turns out wet and cold; or similarly, the lard market, in which there is a certain amount of speculation (in lard there is now a Future market the same as in cotton), may be manipulated to the great disadvantage of anyone actually holding lard. These, and similar considerations, are constantly arising, and the banker's chief protection against loss is the experience and judgment of his customer. Accordingly, the all-important condition of successful financing of produce is to finance only

for customers upon whom the bank can rely in regard to character, experience and means.

Shipper.

While the bank's credit is not accorded to the shipper, but to the bank's own customer, it is very important that the shipper should be a reliable party, and it is well for the banker not only to discuss this point with his customer, but to make enquiry at the beginning of the season about the standing and responsibility of the various shippers upon whose shipments he will have to depend for security.

Bill of Lading.

This is the banker's prime security, and it is important that he should feel able to rely upon its genuineness, and upon the responsibility of the carrier, or carriers, whose obligation it bears. In the case of a Through Bill of Lading, the position is more satisfactory to-day than it was before the great frauds in America some years ago, inasmuch as railroads in America have adopted a system of oversight in regard to the issue of Bills of Lading which did not exist before, and Through Bills of Lading must always now have attached to them Validation Certificates (see Appendix, form R), testifying to the genuineness of the signature of the railroad agent, signing the Bill of Lading. Further, the responsibility of the railroad is practically unquestionable. In the case of a ship's Bill of Lading, theoretically there is no protection against the issue of a forged Bill of Lading. In practice, however, the cases of forgery are so few as to be negligible. The great protection that bankers have is that a Bill of Lading fraud, especially in connection with a ship's Bill of Lading,

is bound to come to light so soon that it is a dangerous fraud to attempt, and cases of forgery of Bills of Lading are extremely rare, quite as rare as, if not more so than, the forgery of Bank of England notes. Notwithstanding this, the Produce Security Department of any bank giving accommodation against Bills of Lading, ought always to be on the look-out for, and call for explanation of, any irregularities in a Bill of Lading.

With reference to the responsibility of the ship in the case of a ship's Bill of Lading, the fact that a ship can be arrested if the goods are not forthcoming, and would only be released on bail being furnished, is a great protection to the holder of a Bill of Lading.

Marine Insurance.

Marine Insurance is a vital point. The banker ought always to have either a policy or a certificate of insurance, or some other form of covering note of Lloyd's Underwriters or some good Insurance Company. If the names of continental companies are offered, the bank ought to make full enquiry as to their responsibility before accepting their policies. The policy or certificate, etc., ought also to be indorsed in blank so as to put the banker in a position to collect any claim arising thereunder. The customer will sometimes give a letter stating that he is attending to Marine Insurance, and this usually is taken as satisfactory, if the customer is strong.

Warehousekeeper.

The warehousekeeper may be either a dock or canal authority, a railway, a limited company, a private firm, or an individual. The Mersey Docks & Harbour Board, some of the London Wharves, some

other dock authorities and some private firms have power to issue warrants in favour of the parties lodging the goods, or their bankers, and when delivery is required, these have to be indorsed and surrendered to the Issuing Authority in exchange for delivery of the goods. Such warrants can only be legally issued under a special Act of Parliament, and therefore when a warrant is handed to the bank, the bank ought always to ascertain whether the party issuing it has obtained the necessary statutory authority. In all other cases the document of title is not a warrant but a warehousekeeper's receipt, which must be made out in favour of the bank itself, and should contain a clause that the receipt is subject only to a charge for rent on the specific goods named therein. It will not do to take a receipt in favour of the customer and indorsed by him, because such indorsement does not pass the title in the goods. When delivery is required under the Warehouse Receipt, a Delivery or Transfer Order must be signed by the bank in favour of its customer, and when all the goods have been delivered, the Warehouse Receipt, although valueless, ought to be kept by the bank for some little time in case enquiries should arise regarding it. If the warehousekeeper is a private firm or individual, the bank ought to satisfy itself that he is a reliable party to be entrusted with the custody of goods. Periodical enquiries should be made ; this is important.

Fire Insurance.

Fire Insurance, like Marine Insurance, is indispensable, except in the case of one or two classes of goods which are not inflammable. Usually the bank takes customers' undertaking to insure and only occasionally receives the Fire Policy, or Covering

Chancery Division

(BEFORE MR. JUSTICE ASTBURY.)

(*In re David Allester, Limited.*)

(From *The Times*, 4th May, 1922.)

Pledge of Goods—Re-delivery on Trust Letter—Validity

This was a summons taken out by the liquidator of David Allester, Limited, wholesale seed merchants, which raised a question of great interest in commercial circles.

It is the custom when merchants have raised money by advances from banks on the pledge of goods by delivery of bills of lading, invoices, insurance policies, or other documents of title for the banks to allow the pledgors, when it is desired to realize the goods pledged, to effect such realization, and for that purpose the bank returns to the pledgors the documents of title upon the pledgors giving to the bank a document undertaking to sell the goods on behalf of the bank and to hold the proceeds on account of the bank. This practice has been adopted for more than twenty years, and is beneficial, as the pledgors, being experts in the particular class of goods, can probably dispose of them to greater advantage than the bank could do.

In the present case David Allester, Limited, had for some time had transactions with Barclays Bank, and at the time of the liquidation there had been realizations of goods by the company on which the Bank claimed that about £3,500 was due to them. The form of document used by Barclays Bank was in the nature of a letter addressed to them by the company in the following form—

" To Barclays Bank, Limited.

" Gentlemen—We have to acknowledge receipt of invoice, bill of lading, and copy of insurance policy (or delivery order) representing . . .

" We receive the above in trust on your account, and we undertake to hold the goods when received, and their proceeds when sold, as your trustees. We further undertake to keep this transaction separate from any others and to remit you direct the entire net proceeds when realized, but not less than . . . (the amount of the loan) within 28 days from this date. We undertake to cover the goods by insurance against fire and to hold the policy or policies on your behalf. Yours faithfully."

This document was held by the bankers with the original document creating the pledge until they received the amount of the loan. The liquidator took out this summons in the liquidation for directions whether the bank was entitled to any priority in respect of its claims for either (*a*) the full amount of the proceeds of sale of goods pledged to the bank by the company before the commencement of the winding up of the company, and released by the bank for sale by the company, or (*b*) the amount of moneys standing to the credit of the company or the liquidator in any banking account representing such proceeds of sale as aforesaid.

The liquidator claimed that the documents were not valid as against him in default of registration either (*a*) as bills of sale within section 4 of the Bills of Sale Act, 1878, as being " declarations of trust without transfer," or (*b*) under section 93 of the Companies (Consolidation) Act, 1908, as being a mortgage of charge of book debts of the company. He contended that under (*a*) they did not fall within the exception in section 4 of " any other documents used in the ordinary course of business as proof of the possession or control of goods."

Judgment

Mr. Justice Astbury, in giving judgment in favour of Barclays Bank, said that the question was whether the giving of the document

(1819) *bet. pp.* 14 *and* 15.

so operated as to deprive the bank of the security which it undoubtedly had under the previous pledge of the goods. The liquidator raised two points—(*a*) That the document was void in default of registration as a bill of sale, and (*b*) that it was void in default of registration as a mortgage or charge of book debts under section 93 of the Companies (Consolidation) Act, 1908. It was contended on his behalf on the first point that the document if given by an individual would require registration as being a "declaration of trust without transfer," and that it was not covered by the exception in section 4 of the Bills of Sale Act, 1878, as being a document "used in the ordinary course of business as proof of the possession or control of goods." In his judgment the document did not fall at all within the definition in the Bills of Sale Act, 1878. The rights of the bank as pledgees were complete upon delivery of the bills of lading or other documents. The document in question was merely an authority given by the bank, and acknowledged by the company, under which the pledgees authorized the pledgors to sell. The rights of the pledgees did not arise under the document (see *Ex Parte Hubbard*). The bank as pledgee had the right to realize the goods from time to time, and it was more convenient to allow the realization to be made by experts—here the pledgors—and the pledgee was entitled to do this. (See *North-Western Bank* v. *Poynter, Son and Macdonald.*)

If he was right as to this, it was unnecessary to consider whether the document fell within the exception in section 4, but if it were necessary to decide this, it seemed to him that *In re Hamilton, Young & Co.*, was an authority for saying that such a document was used in the ordinary course of business as proof of the possession or control of goods. The liquidator's counsel had referred to the judgments in *Dublin City Distillery* v. *Doherty*. In the present case the trust authority was wholly different from the documents in that case. The evidence that had been given by the assistant manager of Barclays Bank was sufficient to prove that the document was within the exception. Here the security already existed, and the document was only an authority to the pledgors to sell. In his opinion the point raised under the Bills of Sale Act failed, primarily because the documents did not fall within the definition of bills of sale in section 4.

The Question of Registration

As regards the second point whether the documents required registration under section 93 of the Companies (Consolidation) Act, 1908, the object of the section was perfectly plain. Counsel for the liquidator did not disguise the fact that if they succeeded on the language of the section they would upset a long-established custom in the City of London and other commercial centres. The answer to their contentions, however, appeared to be that the document was no mortgage of or charge on book debts in any true sense. The bank had its charge before the document. The document was not intended to give a charge, but to enable the goods to be realized, as goods in such cases had been realized for years and years. It was suggested that it fell within *Ladenburg & Co.* v. *Goodwin, Fereira & Co., Ltd.*, and the judgment of the present Master of Rolls in that case. But the facts there were entirely different. There the bank had no pledge until the transaction, and that was undoubtedly a charge over book debts. The bank there had no previous right, the charge was explicit, and there was nothing to charge except book debts. The case did not appear to him to have any bearing on the present case. Here the bank as pledgees by the document created a trust agency for the purpose of realization of the property. In no sense was the document a mortgage or charge within section 93.

Note. This ought either to be made out in the name of the bank, or having been made out in the name of the customer, ought to be specially indorsed with the banker's clause, which reads as follows—

"£..... of the Insurance by this policy is limited to apply to Merchandise only as within described in which the Insured and Messrs. .... are jointly interested as Merchants, and Brokers or Bankers respectively.

" Subject separately to the Conditions of Average.

" If, however, at the breaking out of a fire the value of such Mechandise be less than the total Insurance limited to apply thereto, under this and other specific policies, then the excess Insurance shall be deemed to have reverted to the Insured in terms as within stated.

" In the case of two or more concurrent Insurances, the excess Insurance which shall revert under this policy shall be in rateable proportion to the total of such concurrent Insurances."

Customer's Trust Letter or Engagement.

The next item is that of Customer's Trust Letter or Engagement. There is no point in connection with produce financing which has been subjected to so much criticism as the Trust Letter, and yet in no reported case has a Trust Letter, it is thought, been the subject of legal decision in the highest courts of the land. What can be claimed for a Trust Letter properly drawn is that, so far, its efficacy as a lien over the goods and the proceeds has never been disputed. It does, in practice, enable the bank to follow the goods and the proceeds, even in the case of the bankruptcy of the party who has entered into the Trust Engagement, unless indeed the purchaser has already paid

the proceeds, and these have been misapplied by the bank's customer instead of being paid in to the bank under his Trust Letter, or unless the buyer of the goods was, at the same time, a creditor of the bankrupt who is debtor to the banker in respect of the said goods, in which case the buyer can legally set off one debt against the other, and the proceeds of the goods may thus fail to reach the bank.

The great danger about Trust Letters is the danger of fraud on the part of the bank's customer who has entered into the Trust. He may receive the proceeds, and instead of paying them in to the bank, may divert them to other uses, or instead of paying them in to his Advance, or other Special Account, he may pay them in to his ordinary Current Account and draw them out again. The only safeguard is (1) to see that the Trust Letter itself is in proper form ; (2) for the Produce Security Department of the bank to watch carefully that no proceeds get into arrears. Should it be found that Trust proceeds are being paid into an account other than that specified in the Trust Engagement, the attention of the customer should at once be called to the irregularity. The fact that misappropriation of the goods, or proceeds of them, is a penal offence, is a further safeguard. The amount outstanding entrusted to any one customer ought not to be excessive ; in fact this particular class of security has to be most carefully watched and kept within moderate limits. The Trust Letter, however, is a most useful and, indeed, indispensable feature in connection with produce advances, and in spite of the fact that large frauds have occurred in connection with Trust Letters, they cannot be dispensed with. Such frauds are fortunately very rare, and can, to a very considerable extent, be guarded against.

Delivery and/or Transfer Orders.

The next item is the Delivery Order and the Transfer Order. We shall deal with these documents in detail in a subsequent chapter. They are orders addressed to the warehousekeeper, signed by the bank, authorising the warehousekeeper to deliver to or transfer into the name of the person named therein certain specified goods. They should contain a clause stating that the goods are to be delivered "on payment of all charges," otherwise the warehouse charges might run up as against the bank.

The Market.

A further point in the list is that of the market. It is essential that the Produce Security Department of the bank should be properly informed by the customer, at the outset, of the quality and value of the produce forming the security for the advance. The value ought thereafter to be watched by the department, the prices being ascertained from the newspapers, or from cotton, sugar, coffee, and other trade circulars, and upon any material shrinkage in value, the bank ought to ask the customer to look into the value, and, if necessary, lodge additional security or reduce the advance.

Advances against goods of special quality, the prices of which are not quoted freely, are undesirable. While care is always required in watching values, the most extreme care is wanted when the market for the particular produce is high, because there is then room for a big fall in price.

Special Considerations Affecting Special Commodities.

The last item in the list is that of special considerations affecting special commodities. For instance, rubber is rather a dangerous security because

the quality is a vital point, and the banker has to rely almost entirely upon his customers' representations in regard to this. The weight of rubber, too, is liable to change considerably. Again, maize sweats, and depreciates more rapidly than wheat, but with regard to grain generally, the question of condition has always to be watched.

With regard to provisions, if these are in cold store an Insurance Policy must be taken out to cover the risk of the refrigerating machinery breaking down, or being stopped by strikes.

With regard to articles such as peaches, apricots, tinned salmon, tinned lobster, etc., there ought to be occasional examination to see that the contents are not becoming "blown," *i.e.*, that the fruit, etc., is not going bad. Fruit of a strongly acid nature must not be held long; sardines are better when matured, and the cases should be turned periodically to allow the oil to permeate the fish thoroughly. Special conditions of all sorts attach to every kind of produce, and the banker can only learn by experience what dangers he has to guard against in reference to each kind.

From the foregoing we learn that in dealing with these advances the banker needs all his usual prudence, a great deal of experience, and above all, he must prevent any of the Advances or Trust Letters from becoming stale. Constant vigilance on the part of the Produce Security Department of the bank is the main safeguard against the danger just named. While the business has its special difficulties, it also has its advantages. When it goes smoothly, as it usually does, it is a clean, rapid business. The average length of loans against produce is only from six to eight weeks; some commodities take a longer time; and

in spite of the theoretical risks which attach to the business, there is no part of banking business which is more profitable and more satisfactory.

The Borrower.

Now you cannot lend money unless you have a borrower, and your customers' powers to borrow will differ one from the other.

First the customer may be a sole trader, trading under his own name, or under the name of some firm. Clearly he has full freedom to make such arrangements with a banker as to an advance as he pleases, and as the banker may think fit. But if a firm with two or more partners wishes to borrow, it will be an advantage to obtain a letter signed by all the partners in the firm (this is not essential, but desirable), authorizing one or more of them to arrange with the banker as to the amounts of the advances and the terms, and giving authority for any one of them to sign the firm's name to the letters of instructions, letters of deposit and Trust letters, in fact, to do all such things as are necessary for the carrying out of the various transactions with the bank and for binding the firm. Should there be any change in the personnel of a firm with two or more partners, the banker must draw a line upon all the accounts open, and allow no more debit entries. Of course amounts may be paid in to credit, or in reduction of advances.

The customer may be a Joint Stock Company; in this case an examination of the Memorandum and Articles of Association must be made, to see what powers the company possesses for borrowing and pledging, and if these powers be in order, it will be necessary for the directors to pass a resolution authorizing that such and such overdrafts be taken

from the bank, and that such and such produce be deposited, and authorizing the Managing Director, or some other official, to make all necessary arrangements, and of this resolution the banker should be supplied with a copy, certified by the chairman of the meeting at which the resolution was passed.

It will not be necessary that resolutions should be passed for every advance taken, one resolution may empower an official to arrange for overdrafts up to a certain amount during certain periods, but any advance in excess of that amount would require a fresh resolution to be passed by the Board of Directors of the Company, and of this the banker should be furnished with a certified copy.

Having dealt with the true owner or principal as borrower, we now come to the Broker, Factor or Mercantile Agent. Here, bankers require some protection, and this protection is, to some extent, given by the Factors' Act, 1889, and the Sale of Goods Act, 1893.

It will be necessary to discuss in detail the Factors' Act of 1889, and more briefly the Sale of Goods Act, 1893, before passing to discuss fully the various documents we handle, after which we will proceed to the practical side of the subject, which will perhaps be found much more interesting than the discussion of the Factors' Act.

The expression " Mercantile Agent " is defined in Clause 1 (1) of the Factors' Act, 1889, as " one having in the customary course of his business as such agent, authority either to sell goods, or to consign goods, for the purpose of sale, or to buy goods, or to raise money on the security of goods."

But how is an agent appointed, and who may be an agent ?

An agent may be appointed by a simple letter (not under seal) stating that a certain consignment has been sent to him, stating the terms under which the goods are to be sold or disposed of, etc.

He may be appointed by deed, as, for instance, a Power of Attorney, under seal, but this would really only be required if it were necessary to give the agent authority to contract under seal. But a deed is necessary when the intended principal is a corporation, and the authority given is to enter into contracts which a corporation can only make under seal.

An agent may be appointed by word of mouth, and in fact the vast majority of agencies are so created and often without any express agreement at all, and unless these were recognized by law, mercantile business could hardly proceed.

Speaking generally, anyone may be appointed as agent. It has been settled that incapacity to contract for himself or herself will not prevent a person from being appointed agent to act for another. For instance, an infant who can on his own account only bind himself for necessaries, and whose capacity to contract is limited to this extent, may be appointed, and may act as a factor.

A married woman may be appointed to act as factor. But, as Blackwell points out, "no prudent man, however, would appoint either an infant or a married woman to act as factor for him, at any rate, without the guarantee of some responsible person. For no action for breach of duty would lie against either the infant or the married woman, and if breach involved no dishonesty, the principal would be entirely without a remedy, civil or criminal."

As regards those who may appoint an agent, any person or any combination of persons who may

lawfully carry on business on their own account, may appoint a factor in buying and selling for them.

An agent may sell in his own name, and may receive payment for the goods sold and give valid receipts; he may sue the purchaser and act in his own name. He has also an insurable interest in the goods he handles, and since the passing of the Factors' Act, 1889, he may pledge the goods.

An agency is ended by revocation, death, bankruptcy of the principal, or insanity.

CHAPTER II

FACTORS' ACT, 1889

In all commercial communities there are a number of middlemen who may be classed as brokers or agents, or under the general term known to English law as factors. These men are often entrusted with goods which they have to handle in various ways—buying, selling, and pledging, the latter being of particular interest to bankers. The position of parties who have to deal with such middlemen is often rather difficult to define, and, in the last century, gave rise to a number of legal decisions, sometimes of a very unexpected nature.

In order to rectify hardships to which innocent third parties dealing with factors were exposed, and in order to introduce certainty into the law, the Factors' Act of 1889 was passed. That Act defined the rights of parties making loans to factors against produce and other goods, and it also dealt with the relations between consignors and consignees, sellers and buyers, and the parties dealing with those several classes of business men.

Owing to the peculiar nature of the relations between these different classes, and the fact that certain of their powers are practically the same powers as the owner of the goods would have, while other powers are distinctly restricted, the Factors' Act is necessarily a somewhat complicated law.

The Factors' Act, 1889.

This was passed to codify and amend the law with respect to factors contained in the former Factors' Acts of 1823, 1825, 1842, and 1877, these

Acts being based upon exceptions to the Common Law maxim *Nemo dat quod non habet.* The Act deals both with the Law of Agency and the Law of Sale.

It is divided into three parts, and deals with—

First—Dispositions by Mercantile Agents, as defined in Section 1;

Second—Dispositions by Consignors and Consignees; these two classes being dealt with in Sections 2–7; and

Third—Dispositions by Sellers and Buyers of goods in Sections 8–10;

the remaining Sections 11–17 are supplemental. These divisions are important, as provisions applicable to dealings by Mercantile Agents do not always apply to dealings by consignors and consignees, or by buyers and sellers of goods.

Lord Herschell says: "The headings are not, in my opinion, mere marginal notes, but the sections in the group to which they belong must be read in connection with them and interpreted by the light of them. It appears to me that the provisions of Section 3 should not be treated as an enactment relating to all pledges of documents of title, but only to those effected by Mercantile Agents."[1]

With regard to documents of title to goods, the Factors' Act, 1889, and Sale of Goods Act, 1893, have to be read together, a peculiar feature being that Sections 8 and 9 of the Factors' Act, 1889, are reproduced in somewhat fuller form by Section 25 of the Sale of Goods Act, 1893, without being repealed.

Section 1. (1) "*The expression 'Mercantile Agent' shall mean an Agent having in the customary course of his business as such Agent, authority either to sell*

[1] *Inglis* v. *Robertson* (1898) A.C. 616, p. 630 Sc., see Appendix, Case 1.

goods, or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of goods."

The term " agent " does not include a mere servant or caretaker, or one who has possession of goods for carriage, safe custody, or otherwise, as an independent contracting party, but only persons whose employment corresponds to that of some known kind of Commercial Agents like that class (factors) from which the Act has taken its name, and Lord Blackburn in the House of Lords in 1880, laid it down that " an agent who can pledge or sell must be an agent of that class, which, like factors, have a business, which, when carried to its legitimate result, would properly end in selling or receiving payment for goods."

In *Lamb* v. *Attenborough*, 1862 (31 L.J.Q.B. 41), a wine merchant's clerk had authority from his employer to sign Delivery Orders for wine sold. By means of such Delivery Orders signed by himself, the clerk obtained from the Dock Company, where the wine was stored, warrants for certain quantities, and pledged them in fraud of his master with Attenboroughs.

The Court held that the relation between Lamb, the employer, and the clerk was that of master and servant, and not principal and agent, and therefore that the transaction between the clerk and Attenborough was not protected by the Factors' Act (of 1842).

It will be found sometimes that a warehouseman or wharfinger may also be a Mercantile Agent, but if he pledge goods which have been entrusted to him as warehouseman or wharfinger, such pledge would not be protected under the Act.[1]

[1] *Cole* v. *North Western Bank* (1874), L.R. ix 470; see Appendix, Case 2. *City Bank* v. *Barrow* (1880), L.R. v. 664, see Appendix, Case 3.

The thoughts, therefore, which will pass through the banker's mind when he has to rely on this Act for protection are—

1. Is the customer a Mercantile Agent ?

2. Has he in the customary course of his business as such agent authority either to sell goods, consign goods for the purpose of sale, buy goods, or raise money on the security of goods ?

Under the old Factors' Acts, the agent must have been an agent entrusted for the purpose of consignment or sale. The definition is now extended to include agents who have authority to buy or pledge goods as well as to consign or sell.

This extension gives greater safety to pledgees; prior to its passing bankers had frequently suffered loss by advancing, against deposit of documents of title, to persons who, it transpired, were agents for purchase only.

Section 1. (2) "*A person shall be deemed to be in possession of goods, or of the documents of title to goods, where the goods or documents are in his actual custody or are held by any other person subject to his control or for him or on his behalf.*"

This Section, not being limited to Mercantile Agents, applies equally to the possession of other persons, such as Sellers and Buyers: see Sections 2–7 and 8–10.

Goods which have been pledged by a Mercantile Agent for an amount which does not exhaust their value, are still within his control.[1]

Section 1. (3) "*The expression 'goods' shall include wares and merchandise.*"

The Act only applies to goods dealt with in a mercantile transaction. Stock Certificates are not goods.

[1] *Portalis* v. *Tetley* (1867), L.R. 5 Eq. 140, see Appendix, Case 3*a*.

Section 1. (4) "*The expression 'document of title' shall include any bill of lading, dock warrant, warehousekeeper's certificate, and warrant or order for the delivery of goods, and any other document used in the ordinary course of business as proof of the possession or control of goods, or authorizing or purporting to authorize, either by indorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented.*"

We will discuss the various documents of title later on.

A Document of Title is something which represents the goods, and from which either immediately or at some future time, by indorsement or otherwise, the possession of the goods may be obtained.

A mere certificate that goods are lying at a particular place is not a Document of Title. In *Gunn* v. *Blockow, Vaughan & Co.* (1875), L.R. 10 Ch. App. 491 (see Appendix, Case 3*b*), it was held that the following was *not* a Document of Title—

"I hereby certify that there are lying at the works of Messrs. N., 500 tons of Iron Rails, which are ready for shipment.

W. Ross,
Wharfinger."

The following *is* a Document of Title—

"The undermentioned iron will not be delivered to any party but the holder of this warrant.

A. & Co., Ltd."

"No. 100.

"Stacked at the works of A. & Co.

"Warrant for 500 tons Steel Rails. Iron deliverable (f.o.b.) to Messrs. N. of London, or to their assigns, by endorsement hereon."

A banker may be offered as security an instrument which his customer treats, and asks the banker to treat, as a "Document of Title." It may have a name which does not appear amongst those listed in Section 1 (4). The point on which the banker will have to satisfy himself is, does it in substance come within the description of the documents named in this clause, or within the description "any other document used in the ordinary course of business, as proof of the possession or control of goods, or authorizing, or purporting to authorize, either by endorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented"?

If it does represent the goods, and delivery of those goods may be obtained, by indorsement or otherwise, either at once or at any future time, then he may safely treat the document whether it be known as a certificate or by some other name, as a "Document of Title." The names of the documents vary in the different towns. In London and Hull—Warrants and Wharfingers' Certificates are in common use; in Liverpool—Warehousekeepers' Receipts or Certificates and Warrants, and so on.

Warrants or Orders for the delivery of goods and Bills of Lading are excluded from the statutory definition of a "Bill of Sale" by Section 4 of the Bills of Sale Act, 1878, whereby the following are exempted from registration under the Act: "transfers of goods in the ordinary course of business of any trade or calling . . . Bills of Lading, India Warrants, Warehousekeepers' Certificates, Warrants or Orders for the delivery of goods, or any other documents used in the ordinary course of business as proof of the possession or control of goods, or authorizing, either by indorsement or by delivery, the possessor of such

document to transfer or receive goods thereby represented."

Section 1. (5). *"The expression 'pledge' shall include any contract pledging, or giving a lien or security on, goods, whether in consideration of an original advance or of any further or continuing advance or of any pecuniary liability."*

As regards what a "pledge" implies, we will learn in a subsequent chapter.

The words used in this Section would include—

1. A pledge.
2. A mortgage or letter of hypothecation without possession.
3. A lien, *i.e.*, a right to retain goods until a debt due in respect thereof has been paid.

Bankers' lien will be dealt with later.

Section 1. (6). *"The expression 'person' shall include any body of persons corporate or unincorporate."*

(*a*) CORPORATE—

1. A Limited Liability Company under the Companies Act.
2. A Corporation under the Companies Clauses Act, 1845, such as a Railway, Canal or Dock Company.
3. A Chartered Company.
4. A Municipal Corporation.

(*b*) UNINCORPORATE—

1. An individual.
2. A firm.
3. A syndicate.
4. An association.

DISPOSITIONS BY MERCANTILE AGENTS

Section 2. (1). *"Where a mercantile agent is, with the consent of the owner, in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition of the goods, made by him when acting in the*

ordinary course of business of a mercantile agent, shall, subject to the provisions of this Act, be as valid as if he were expressly authorized by the owner of the goods to make the same: provided that the person taking under the disposition acts in good faith, and has not at the time of the disposition notice that the person making the disposition has not authority to make the same."

A pledge by a person who is not a Mercantile Agent is not protected under this part of the Act.[1]

"*With the consent of the owner.*" This is essential; if a clerk has obtained possession of goods by representing himself to be another person, there being no consent to *his* being in possession of the goods, the Act will not apply, and he cannot make a valid pledge or sale.[2]

Any dealings with the goods must be in the ordinary course of the business of that Mercantile Agent, and a pledge made by a Mercantile Agent to secure an advance on his private account, might be held not to be a pledge made when acting as a Mercantile Agent.

"*Subject to the provisions of this Act,*" viz., subject to the terms of Sections 4 and 5.

"*In good faith, and has not . . . notice.*" The term "notice" is this section probably means *actual*, though not *formal* notice, that is to say, either knowledge of the facts or a suspicion of something wrong, combined with a wilful disregard of the means of knowledge. Notice probably would be the same as "Notice" under Section 29 of the Bills of Exchange Act, 1882, and under Sections 37 and 49 of the Bankruptcy Act, 1883.

In *Kaltenbach* v. *Lewis* (1883), 24 Ch. D. 54, The

[1] (*Inglis* v. *Robertson* (1898), A.C. 616 (see Appendix, Case 1); *Cole* v. *North Western Bank*, 1875 L.R. 10 C.P. 370 (see Appendix, Case 2.

[2] *Hardman* v. *Booth* (1863) *Hurlstone & Coltman's Rep.* 803, see Appendix, Case 4.

Court of Appeal (at p. 78), said " We think it extremely important not to encourage the application of the equitable doctrines of constructive notice to honest mercantile transactions."

Section 2. (2). " *Where a mercantile agent has, with the consent of the owner, been in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition, which would have been valid if the consent had continued, shall be valid notwithstanding the determination of the consent : provided that the person taking under the disposition has not at the time thereof notice that the consent has been determined.*"

This provision had to be inserted to counteract the effect of a decision under the Act of 1842 in the case *Fuentes* v. *Montis* (1868), L.R. 3 C.P. 268 (revocation of agency) affirmed L.R. 4 C.P. 93 Ex. Ch.[1]

The only way in which the owner of goods can protect himself, having once given consent to the goods being in the possession of a Mercantile Agent, is either to remove the goods from the agent's physical possession or control, or to notify the third party with whom the agent is about to do business, of the determination of his consent.

Prior to the passing of this Act of 1889, it had been held in *Phillips* v. *Huth*, 6 M. & W. 572 and *Hatfield* v. *Phillips* 9 M. & W. 647, that a person entrusted with a Bill of Lading for the purpose of selling the goods it represented, was not, in consequence of having possession, to be considered to be entrusted with the Dock Warrant which he had obtained through having possession of the Bill of Lading. This anomaly has now been rectified.

For by Section 2 (3) it is now enacted that a Mercantile Agent who has obtained possession of any

[1] See Appendix, Case 5.

document of title to goods by reason of his being or having been, with the consent of the owner, in possession of the goods represented thereby, or of any other documents of title to the goods, shall be deemed to be in possession of the first mentioned document with the consent of the owner—Sec. 2. (4)—and the consent of the owner, for the purposes of this Act, shall be presumed in the absence of evidence to the contrary. Accordingly, if any dispute arises between the pledgee and the owner, it falls upon the owner to prove that he never gave consent. The pledgee must, of course, have acted in good faith, and have no knowledge of any limitation of the owner's consent. The pledgee would have no rights if the goods had been stolen.

Section 3 comes within the second part of the Act, under the heading of "Disposition by Mercantile Agents." It reads: "*A pledge of the documents of title to goods shall be deemed to be a pledge of the goods,*" so that a pledge by a person other than a Mercantile Agent, except, of course, the owner, of documents of title to goods is not equivalent to a pledge of the goods themselves.

The House of Lords, in the case of *Inglis* v. *Robertson* (1898 A.C. 616) ruled that "the provisions of this Act shall be treated as limited by the headings under which they occur, that those, for instance, included under the heading 'Dispositions by Mercantile Agents' must be confined to dealings by persons answering that description." Sir John Paget says that it seems probable that the rule was originally directed to preventing isolated sections, such as this one, general in their terms, from being utilized by persons, and in circumstances altogether outside the purview of the Act.

On the other hand, if a Mercantile Agent pledges

documents of title to goods, or goods as security for a debt or liability already existing before the pledge, the pledgee only acquires such rights in the goods as could have been enforced by the pledgor at the time of the pledge. A pledge made for a debt already existing is, as a rule, not based on any consideration, and is unenforcible. A past consideration is, speaking generally, no consideration. The lender has not been induced to make his advance on the faith of the pledge if he has, in fact, advanced the money before the pledge.

What rights may the pledgee in this case acquire? The agent may have advanced money, or given his Acceptances on the credit of goods lodged in his hands, and to this extent he has a lien on the goods, and may retain them until he is fully indemnified by the owner; or the agent may have become surety for his principal, and so acquire a lien over the goods to the extent of his liability, and these rights the agent can transfer to the pledgee. But if he has made himself liable for Acceptances against the goods to the owner, and transfers his rights in these goods to the pledgee, and the owner afterwards pays the Acceptances, the agent's right, and as a consequence the pledgee's also, would cease and become void, and the owner would be entitled to immediate possession of the goods. The pledgee runs the risk of this taking place. (*Fletcher* v. *Heath* 7 B. & C. 517; 1 *Man. & Ry.* 335.)

Now, what is the consideration necessary for the validity of a sale, pledge, or other disposition of goods? In pursuance of this Act, it may be either—

A payment in cash, or

The delivery or transfer of other goods or of a document of title to goods, or of

A negotiable security, or

Any other valuable consideration,

but if a Mercantile Agent pledges goods in consideration of the delivery or transfer of other goods, or of a document of title to goods, or of a negotiable security, the pledgee acquires no right or interest in the goods so pledged, in excess of the value of the goods, documents or security, which he has delivered or transferred in exchange.

The consideration covers not only the ordinary cash transactions, such as loans, overdrafts, letters of credit, etc., but also acceptance, negotiation or discount for the pledgor of a negotiable security.

It should be particularly noticed that when the pledgee delivers up to the pledgor (the pledgor being a Mercantile Agent or a Buyer of Goods) the goods originally deposited, in exchange for fresh goods or documents of title thereto, the pledgee can only rely on the substituted goods to the extent of the value, at the time of substitution, of the goods surrendered. Should the substituted goods be of greater value than those surrendered, his security is not in any way increased. The substituted goods or documents of title to goods may be deposited by a Mercantile Agent other than the one who made the original pledge, provided the exchange and fresh deposit are made at the request of and by agreement with the original pledgor.

A Mercantile Agent may authorize his clerk, or other person, to make contracts of sale or pledge for him in the ordinary course of business, and such contracts shall be deemed to be an agreement with the agent, and the owner of goods who consents to their being in the possession of an agent who has given such authority will be bound to respect the agreements so made.

Goods are frequently shipped by some person abroad to this country, the goods having been collected by him from various owners in his district, and shipped in his own name as consignor. The consignee in England may make advances or accept bills against the goods, not knowing the consignor was not the true owner. The Factors' Act gives such consignee a lien on the goods to the extent of the advances so made, and gives him a right to transfer any such lien to another person, but before the lien can attach, he must have obtained possession of the goods or of the shipping documents relating thereto.

We now come to Part III of the Act.

Dispositions by Sellers and Buyers of Goods

(Clauses 8 to 10.)

Lord Watson (in *Inglis* v. *Robertson*, 1898, A.C. *at* p. 628), said " The main, if not the sole, object of these clauses appears to be this—to protect the purchaser or pledgee of documents of title deriving right from one who is lawfully in possession of them against a claim of retention for unpaid price, or a right of stoppage *in transitu*, by the original seller, in cases where the purchaser or pledgee has had no notice of such claim or right."

Mr. Butterworth points out that one effect of these clauses is, in all transactions coming within their terms, to give to a transfer of one of the other documents of title a similar effect to that given to a transfer of a Bill of Lading. Outside the scope of the Factors' Act the old difference between those documents still holds good. For example, the transfer of a warrant from a seller to a buyer will not *as between them* divest the seller's lien ; the transfer of a Bill of Lading will. This is because a transaction directly between buyer

and seller is not governed by the Factors' Act, and the old distinction, therefore, holds good. But if the buyer sells or pledges the warrant to another, the transaction falls within these clauses of the Factors' Act, and the transfer to the third party is as effectual a bar to the original seller's rights as though it were the transfer of a Bill of Lading.

Section 8 protects a pledgee or a purchaser, who in good faith and without notice of previous sale receives delivery of goods or documents of title to goods, from a person who has already sold the goods, or from a Mercantile Agent acting for him, but who continues in possession of the goods or the documents of title thereto, and the delivery or transfer shall have the same effect as if expressly authorized by the owner of the goods.

This clause places a pledgee from a seller of goods in a better position than a pledgee from a Mercantile Agent, for Section 4 does not apply, which limits the transaction as to an antecedent debt, and the latter part of Section 5, which refers to substitution, does not apply.

It must be clearly understood that to get the benefit of this Section No. 8, the second buyer or the pledgee must have the documents of title or the goods actually delivered or transferred to him.

This Section 8 is re-enacted by Section 25 (1) of the Sale of Goods Act, 1893, with the omission of the words "or under any agreement for sale, pledge or other disposition thereof."

Section 9 reads: "*Where a person, having bought or agreed to buy goods, obtains with the consent of the seller possession of the goods or the documents of title to the goods, the delivery or transfer, by that person or by a Mercantile Agent acting for him, of the goods or*

documents of title, under any sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods, shall have the same effect as if the person making the delivery or transfer were a Mercantile Agent in possession of the goods or documents of title with the consent of the owner."

This Section is reproduced by Section 25 (2) of the Sale of Goods Act, 1893.

Prior to the passing of this Section, it had been ruled by the Courts that a sale or pledge of a Delivery Order or other document of title (other than a Bill of Lading) by a buyer, did not defeat the seller's rights, because the buyer held the documents as buyer, and not as the seller's agent.

Lord Campbell, C.J., in *Gurney* v. *Behrend* (1854), 3 ; *Ellis & Blackburn's rep :* (*at* 633–634), stated that as regards the transfer of a Bill of Lading the protection of the Factors' Act in most cases is not needed, for at Common Law the transfer of a Bill of Lading to the buyer, by giving him constructive possession of the goods, puts an end to the seller's lien, and the subsequent sale or pledge by the buyer to a third party defeated, either wholly or to the extent of the advance, the original seller's right of stoppage *in transitu.*

In order to bring the case within the protection of Section 9, the seller must still have a lien or other right in respect of the goods. If, therefore, he has sold and delivered them to the buyer, and has lost all right in respect of them, except the right of action for the price or part of it, the Section does not apply.

Thus, if a seller has goods lying in a warehouse, and he instructs the warehouseman to deliver the goods to a person to whom he has sold them, and he, acting upon the instructions so given, transfer the goods into

the name of the buyer and issue warrants to him, the buyer obtains possession of these warrants in his own right, and is not deemed to have obtained them with the seller's consent within the meaning of this Section (*Inglis* v. *Robertson* (1898), 616 H.L. *Scottish*).

Let us compare the two Sections 8 and 9. What is the position of a pledgee under Section 8, that is, from a *seller* who continues in possession of the goods or of documents of title thereto ? The pledgee obtains *full* title, with no limitation, but, on the other hand, under Section 9, the pledgee from a *buyer* of goods is placed in the position of a pledgee from a *Mercantile Agent* (so that with Section 9 we must read Section 2 (1) and Sections 4 and 5).

Let us further compare the position of a pledgee—

1. Where goods or documents of title to goods have been pledged in respect of an antecedent debt.

Under Section 2 (1) *i.e.*, by the Mercantile Agent.
,, ,, 8 *i.e.*, by the Seller of Goods.
,, ,, 9 *i.e.*, by the Buyer of Goods.

(*a*) By a *Mercantile Agent*—the pledge is void, except to the extent of the right (if any) of which the Mercantile Agent himself had against his principal, the owner, at the time of the pledge.

(*b*) By the *Seller* of Goods—the pledge is valid, because there is no proviso in Section 8 similar to the proviso in Section 2 (1) " subject to the provisions of this Act " (*i.e.*, Sections 4 and 5 are not imported into Section 8).

(*c*) By a *Buyer* of Goods—the pledge is void, except to the extent of the right (if any) which the buyer had at the time of the pledge against the seller, and which right he could transmit to the pledgee.

2. Substituting goods or documents of title to goods

in exchange for other goods or documents of title to goods already pledged for an existing advance.

(*a*) By a *Mercantile Agent*—the pledge is valid to the extent (irrespective of the amount of the advance) of the value of the goods or documents of title withdrawn, at the time of substitution.

(*b*) By a *Seller* of Goods—the pledge is valid to the full extent of the advance.

(*c*) By a *Buyer* of Goods—the pledge is valid only to the extent of the value of the goods withdrawn, at the time of substitution.

Section 10 applies the Common Law rules relating to the effect of the transfer of a Bill of Lading on the seller's right of stoppage *in transitu* to all the documents mentioned in Section 1, so that, where a buyer has lawfully obtained possession of a document of title to goods, and he transfers that document to another who takes in good faith and for valuable consideration, the transfer has the same effect for defeating any vendor's lien or right of stoppage *in transitu*, as the transfer of a Bill of Lading has for defeating the right of stoppage *in transitu*.

This Section is reproduced and developed by Section 47 of the Sale of Goods Act, 1893.

Stoppage *in transitu* means that the unpaid seller who has parted with the possession of the goods has the right to resume possession as long as they are in the course of transit, and may retain them until payment or tender of the price.

Section 45 of the Sale of Goods Act, 1893, gives the full explanation of this right. Briefly it is as follows—

Goods are deemed to be in transit from the time when they are delivered to a carrier by land or water or other bailee for the purpose of transmission to the buyer until the buyer or his agent takes delivery

from the carrier, and if that delivery is obtained before the goods arrive at their appointed destination, the transit is at an end. If after arrival of the goods at the destination the carrier acknowledges to the buyer or his agent that he holds the goods on his behalf, and continues to hold them, the transit is at an end. But if the buyer refuses delivery, the transit is not at an end, even if the seller refuses to receive them back again. A ship may be chartered by the buyer, and the goods delivered to that ship for transit, it will depend on the circumstances of the particular case whether the master of the vessel is to be considered as a carrier, or as an agent of the buyer.

If the carrier wrongfully refuses to deliver to the buyer, the transit is deemed to be at an end, and if the carrier has delivered part of the goods to the buyer or his agent, the balance of the goods may be stopped *in transitu*, unless the carrier has promised to deliver the whole.

Now, goods may be *in transitu*, although they may have left the hands of the person to whom the seller had entrusted them. It does not matter how many hands they pass through, provided they have not reached their destination. The goods need not of necessity be in motion, they may be held by an agent to forward, and they are as much *in transitu* whilst in his custody as if they were actually moving.

Goods, therefore, may be *in transitu*—

1. While being transported, as long as they are in possession of the carrier as carrier, and it is immaterial who appoints the carrier, the seller or the buyer.

2. Whilst deposited, as long as they are in possession of the carrier as carrier, or in possession of some other bailee in course of transmission to their buyer.

When goods have been sold, and are in the actual

possession of a carrier or other bailee, three states of facts may exist with regard to them, viz.—

1. The carrier or other bailee may hold them as agent for seller. In that case the seller preserves his lien, and the right of stoppage *in transitu* does not arise.

2. The goods may be *in medio*. The carrier may hold them simply as carrier, not as agent for either seller or buyer. In that case the right of stoppage *in transitu* exists.

3. The carrier or other bailee may hold the goods either originally or by subsequent attornment, solely as agent for the buyer. In that case, either there has been no right of stoppage, or it is determined.

In order to be valid, the notice stopping the goods must come from the vendor or from his agent, duly authorized, and the notice must be given to the person who has immediate custody of the goods. Notice to the shipowner and transmitted by him to the master is sufficient, but not and unless it reaches the master. Mr. Carver, in his *Carriage by Sea* (2nd Ed. pp. 531, 532), points out that there appears to be some uncertainty whether the shipowner is bound to forward such a notice to the master.

The Law with respect to documents of title is as follows—

1. A mere indorsement of a document of title to the buyer or consignee does not put an end to the right of stopping *in transitu*, and should the buyer or consignee become insolvent before the goods named in the document of title are delivered, the vendor may exercise his right as against the purchaser or consignee and his trustee in bankruptcy.

2. A further indorsement by the consignee or buyer to a third party, unless for value to a person taking in

good faith, will not affect the right of stopping *in transitu*.

3. A re-sale of the goods to a purchaser for value and in good faith, but without indorsement of the document of title, will not defeat the right of stoppage *in transitu*, unless the vendor has assented thereto.

4. A re-sale for value to a person taking in good faith and for value, together with an indorsement of the document of title, absolutely puts an end to the right of stoppage *in transitu*, whether the value has, or has not, been paid wholly or in part.

5. An indorsement of a document of title by way of pledge does not put an end to the right of stoppage *in transitu*, but the unpaid vendor can exercise the right only subject to the right of the pledgee.

FACTORS' ACT, 1889.—PART IV

SUPPLEMENTAL

Section 11. "*For the purposes of this Act, the transfer of a document may be by indorsement, or, where the document is by custom or by its express terms transferable by delivery, or makes the goods deliverable to the bearer, then by delivery.*"

Section 12. (1). "*Nothing in this Act shall authorize an agent to exceed or depart from his authority as between himself and his principal, or exempt him from any liability, civil or criminal, for so doing.*"

Although under the Factors' Act an agent or the other persons referred to in the Act, may convey to third persons a good title to goods or documents of title to goods, it is well to remember that the agent has not any greater powers given to him under the Act than those given to him by his principal. He remains civilly liable for the value of the goods to his principal,

and he may be criminally liable for misappropriating the goods or documents of title.

Section 12. (2). *"Nothing in this Act shall prevent the owner of goods from recovering the goods from an agent or his trustee in bankruptcy at any time before the sale or pledge thereof, or shall prevent the owner of goods pledged by an agent from having the right to redeem the goods at any time before the sale thereof, on satisfying the claim for which the goods were pledged, and paying to the agent, if by him required, any money in respect of which the agent would by law be entitled to retain the goods or the documents of title thereto, or any of them, by way of lien as against the owner, or from recovering from any person with whom the goods have been pledged any balance of money remaining in his hands as the produce of the sale of the goods after deducting the amount of his lien."*

Mr. Chalmers points out that a trustee in bankruptcy would acquire no title to property held in trust, and property held by an agent would, as a rule, be considered as held in trust, though in some cases the reputed ownership clause might apply.

Section 12. (3). *"Nothing in this Act shall prevent the owner of goods sold by an agent from recovering from the buyer the price agreed to be paid for the same, or any part of that price, subject to any right of set off on the part of the buyer against the agent."*

This Section does not alter the Common Law principles regarding principal, agent, and third party. If the buyer knew that the agent was acting for a principal, he cannot enforce any right of set-off against the principal. If when buying, the buyer had knowledge that the agent might not be the principal, but did not enquire, the personal right of set-off which he had against the agent cannot be enforced against

the principal, but if the buyer believed that at the time of purchase the agent was verily the principal, he can set up his right of set-off even against the principal.

Section 13. *"The provisions of this Act shall be construed in amplification and not in derogation of the powers exercisable by an agent independently of this Act."*

Messrs. Neish & Carter in their book (on the Factors' Act, 1889), summarize very briefly the provision of the Act, as follows—

Assuming every transaction to be in good faith, merchants, bankers, or other persons may buy from, make advances to, or effect exchanges of goods or documents of title to goods in the ordinary course of business with a Mercantile Agent if he is, with the consent of the owner, in possession of the goods or documents of title thereto.

That consent will be assumed in Court, unless the contrary is proved, and their title will not be affected by any revocation of the consent unknown to them. Further, consent by the true owner to his agent's possession of any goods or documents of title thereto, carries with it consent to the possession of any derivative documents of title.

If a Mercantile Agent pledges to merchants, bankers, or others, goods or documents of title thereto, not for cash, but in exchange for other goods, documents of title, or negotiable securities, they acquire no right or interest in excess of the value which they have given him in exchange.

Further, if a Mercantile Agent pledges to them goods or documents of title to goods as a security for antecedent debt, they acquire no further right thereto than the agent could have enforced at the time of the pledge.

A consignee has a lien for advances made on goods to his shipper, though he be not a Mercantile Agent, but one who has been allowed by the true owner to consign them or ship them in his own name, unless the consignee was aware of the true title.

A seller who remains in possession of the goods sold or documents of title thereto, may *effectually* dispose of them to an innocent third person.

A buyer who has obtained, with the consent of his seller, possession of goods or documents of title thereto, may dispose of them to an innocent third person in the same manner as the above mentioned Mercantile Agent.

If an unpaid seller of goods transfer to anyone as buyer or owner the documents of title, any further transfer of those documents to a person receiving them in good faith and for valuable consideration will defeat not only the unpaid seller's lien, but also his right of stoppage *in transitu.*

CHAPTER III

THE DOCUMENTS CONSIDERED

Freight.

FREIGHT is the reward payable to a carrier by sea for the safe carriage and delivery of goods. Hence in ordinary cases it does not become payable unless the voyage is completed and the goods are carried to their destination, but in some cases, where a part only of the voyage has been performed, freight is recoverable for that portion *pro rata*. Thus, if the consignee voluntarily accepts the goods at a point short of their destination in such a way as to raise a fair inference that the further carriage is intentionally dispensed with, a new contract will be implied to pay freight for that portion of the voyage which has actually been performed.

When freight has been prepaid, its nature differs considerably from that of ordinary freight, for it then ceases to be dependent on the safe delivery of the goods, and therefore if the goods are lost, the shipowner is not liable to refund the prepaid freight.

In ordinary cases, the shipowner has a right of action against the consignor and sometimes also against the consignee, for the recovery of the freight, and also has a lien on the goods for the amount, unless he has entered into a contract inconsistent with or expressly waiving his right of lien. (Sweet's *Law Dictionary*.)

Primage.

This was originally a small payment made by the merchant to the master of the ship for his care and attention to the goods shipped, but in this connection

the term is now practically obsolete. It was also called " Hat Money."

The term is now used to express a certain percentage on the freight payable by the merchant to the shipowner. For instance, the freight may be quoted as 15s. per ton with 5 per cent. primage, which would make the freight in reality 15s. 9d. per ton.

Sometimes it is arranged that upon a shipper giving and carrying out an undertaking to ship all goods to certain ports by the ship of one company or fleet, a certain percentage of the freights paid by him to the company during the year, or other period, will be returned to him. This is called *returned primage* or *rebate freight.* (Dawson.)

Affreightment.

A Contract of Affreightment is a contract with a shipowner to hire his ship, or part of it, for the carriage of goods. Such a contract generally takes the form either of a Charter Party or of a Bill of Lading. (Sweet's *Law Dictionary.*)

Charter Party.

An agreement in writing, whereby a shipowner engages to provide a ship for a specified voyage or period for the carriage of goods for a sum of money called freight.

Among other things the agreement generally specifies or provides—

1. The burthen of the ship ;
2. Rate of freight ;
3. That the ship is seaworthy and will be ready to take her cargo on a certain day ;
4. Shall sail when loaded ; and
5. Deliver her cargo at the port of destination ;
6. That the charterer shall load and unload the ship

within a certain number of days called lay days (running days, or working days, as the case may be);

7. Or pay an extra sum per day beyond such days, called demurrage; and also

8. Pay the agreed freight.

The converse of demurrage is called "despatch," and sometimes provision is made for an allowance to the charterer of a certain sum per day for all days saved out of the agreed lay days.

Dead Freight means the amount payable by the charterer on the tonnage promised, but which was not forthcoming.

A Charter Party requires a 6d. stamp. (Dawson.)

Bottomry.

This is an agreement entered into by the owner of a ship or his agent, whereby in consideration of a sum of money advanced for the use of the ship, the borrower undertakes to repay the sum with interest, if the ship terminates her voyage successfully, and binds or hypothecates the ship and freight or the cargo for the performance of his contract, the debt being lost in case of non-arrival of the ship. The most important case of borrowing money on bottomry is where the master of a ship is at a foreign port and finds it absolutely necessary to obtain money, and can only do so by executing an instrument of hypothecation.

A rule peculiar to bottomry and respondentia bonds is that if securities of this sort are given at different periods of the voyage, and the value of the ship is insufficient to discharge them all, the last in point of date is entitled to priority of payment; because the last loan furnished the means of preserving the ship, and without it the former lenders would have entirely lost their security. (Sweet's *Law Dictionary*.)

Bottomry bonds are now rarely seen. Money required by the master of the vessel when abroad, or by the shipowner's agent, can be quickly passed by cable transfer from the shipowner at the home port.

Bill of Lading.

A Bill of Lading is a document signed by the master of a ship or an agent of the owner, acknowledging that goods have been received on board, and stating the terms on which they are to be carried. The Bill of Lading serves as a receipt for the goods shipped on board, as the memorandum of a contract between the owner of the ship and the shipper of the goods, and as a document of title to the goods, and if, as is usual, the goods are deliverable to the consignor's order or assign, the Bill of Lading becomes an assignable instrument, transferring by indorsement the rights to the goods, and the various liabilities and rights of the contract.

Bills of Lading are usually issued in sets of three, but this varies in different trades, as many as seven, or even more being issued, and sometimes you see the whole set marked "original." In the Hamburg sugar trade one only is issued, and but one in the greater proportion of the American cotton trade, this one being the assignable one, the others issued being but copies and of no value.

A copy is usually kept by the master of the ship. Bills of Lading issued in England must bear a 6d. impressed stamp, and they must be stamped before being executed; anyone who makes or executes a Bill of Lading unstamped becomes liable to a penalty of £50. The Bill of Lading cannot be stamped after execution.

The bills are usually obtained by the shipper, and filled in by him with the full particulars of the cargo carried for him, usually mentioning the kind and quantities of the goods, and the marks on the packages. These are presented to the master or shipowner's agent, are checked on behalf of the ship, are then signed by the master or shipowner's agent, and delivered to the shipper in exchange for the Mate's Receipt, the Mate's Receipt being a receipt given by some person in charge for the goods when they are taken down to the ship's side, or to the quay, and delivered over to him for shipment in the particular vessel. The receipt, as a rule, shows upon what terms the goods are received and carried, and sometimes refers to a particular form of Bill of Lading for which it is to be exchanged, many firms of shipowners having their own forms.

In the case of short coasting voyages, Bills of Lading are not issued.

Bills of Lading differ greatly in detail, but they have usually certain common features. The following may perhaps be said to show the common type—

> "Shipped in good order and condition by ..... in and upon the good ship called the ....., whereof ..... is the master for this present voyage, now riding at anchor in the port of ....., and bound for ....., (description of the goods) marked and numbered as in the margin, and are to be delivered in the like good order and condition at ..... aforesaid (the Act of God, the King's enemies, fire, and all and every other dangers and accidents of the seas, rivers and navigation, of whatever nature and kind soever excepted) unto ....., or to his assigns, he or they paying freight for the said

goods at the rate of ....., with primage and average accustomed. In witness whereof, the master or agent of the said ship hath affirmed to ..... bills of lading, all of this tenor and date, the one of which bills being accomplished the other to stand void.

"Dated in ..... the day of .....

"Signed ....."

Upon this, however, many modifications are made, generally in the direction of a diminution of the shipowner's liability, and different trades require peculiar clauses to meet their own circumstances.

"Received for Shipment Bills of Lading."

For many years past, there has been a gradual increase in the number of "received for shipment" bills of lading in use, in place of "shipped" bills of lading. These "received for shipment" bills came more into vogue during the War, as a natural consequence of the uncertainties surrounding shipping movements. The risks to a bank accepting such a form of bill of lading without the definite instructions of its customer are obvious. If there was a falling market or an adverse exchange rate, a consignee might try to evade the contract by throwing the loss on to the bankers by arguing that the credit he opened stipulated for payment against bill of lading or usual shipping documents, and that a document in this form is neither a bill of lading nor a usual document. Again, some credits stipulate that the goods shall be shipped by a certain date. A bill of lading in the form "received for shipment" gives no evidence of the actual date of shipment, and the vessel named is sometimes not even in the port of loading when the bill is issued. It is on record that a certain bank had advanced on

a " received for shipment " bill of lading and, before the goods could be shipped, the port from which they were to have been consigned became icebound, remaining so all the winter, at the end of which the goods had become valueless.

In *Diamond Alkali Export Corp.* v. *Bourgeois*, reported in the October number of the *Journal of the Institute of Bankers*, the Judge held that the document, which purported to be a bill of lading, and which ran as follows—

" Received in apparent good order and condition from D. A. Horan, to be transported by the S.S. *Anglia*, now lying in the Port of Philadelphia and bound for Gothenburg, Sweden, with liberty to call at any port or ports, in or out of the customary route, or failing shipment by such steamer, in and upon a following steamer,"

was not a bill of lading within the terms of the c.i.f. contract of sale under which that particular sale was made. On the other hand, the Judicial Committee of the Privy Council has held a " received for shipment " bill of lading to be a good bill of lading. There is thus a certain degree of conflict of legal opinion.

This form of bill of lading, however, is one that has been evolved owing to certain needs of commerce, and in certain sections of trade it has practically become a necessity. It would accordingly be wise for bankers to avoid taking up an attitude of unyielding hostility towards it, even though they may feel it desirable to discourage its use as much as possible. In the event, however, of bankers agreeing to take it as security or under credits opened by them, care should be taken in every case to obtain the specific approval of the customer.

In some books Bills of Lading, Dock Warrants

and Warehousekeepers' Warrants are referred to as negotiable instruments. From the banker's point of view, and in its strict meaning, "negotiable" has a peculiar significance. To use Sir John Paget's words, "To be negotiable, the document must fulfil the following conditions: It must purport to be, in its then condition, transferable by delivery or by endorsement and delivery; it must, either by statute or by the custom of the mercantile community of this country, be recognized as so transferable, and as conferring upon a person who takes it honestly and for value, independent and indefeasible property in and right of action on it."

This absolute title passes to a person who takes honestly and for value, in spite of any defect in the title of the transferor, but the word "negotiable" cannot be applied in its strict meaning to Bills of Lading and Warrants. They are not negotiable instruments in the strict sense for a transferee of these documents cannot acquire a title from a person who has stolen the document.

The Judgment of Lord Campbell in *Gurney* v. *Behrend* (3 E. & B. p. 633) is by many regarded as setting forth the true view. In it he says—

A Bill of Lading is not like a Bill of Exchange or Promissory Note, a negotiable instrument, which passes by mere delivery to a *bona-fide* transferee for valuable consideration, without regard to the title of the parties who make the transfer. Although a shipper may have indorsed in blank a Bill of Lading deliverable to his assigns, his right is not affected by an appropriation of it without his authority. If it be stolen from him, or transferred without his authority, a subsequent *bona-fide* transferee for value cannot make title under it as against the shipper of

the goods. The Bill of Lading only represents the goods; and in this instance the transfer of the symbol does not operate more than a transfer of what is represented.

The Bill of Lading Act, 1855, gave a right of action on the Bill of Lading to the "indorsee to whom the property in the goods shall pass," but it is generally assumed that it did not invest the instrument with any additional degree of negotiability. It seems possible that the only exceptional feature akin to negotiability ever possessed by Bills of Lading is their acknowledged capacity to defeat the unpaid vendor's right of stoppage *in transitu*, when transferred with authority to a *bona-fide* transferee for value.

Bills of Lading are included with other documents of title to goods in the Factors' Act, 1889, and Sale of Goods Act, 1893. If they were considered as fully negotiable, they surely would not have been included.

The person in whose name the Bill of Lading is drawn by indorsing the bill and delivering it may transfer his right under it to the assignee. If he merely indorses it, the indorsement is in blank, and it can pass from hand to hand as though drawn to bearer. The holder may fill in the blank as he chooses.[1]

In *Henderson* v. *Comptoir d'Escompte de Paris* (L.R. 5 P.C. 253), it was held that if a Bill of Lading is not drawn "to order or assigns" of the holder, the bill is not assignable.

It would perhaps be more correct to call the Bill of Lading a symbol of the goods, possession of it being in legal effect possession of the goods which it represents, except as against the shipowner who is carrying them, and persons who hold for him under

[1] *Sewell* v. *Burdick* (1884) 10 Ap. Cases, 74, see Appendix, Case 6; *Lickbarrow* v. *Mason* (1786) *Smith's Leading Cases*, 1, 693, 11th Ed., see Appendix, Case 7.

his lien for freight, etc. Delivery of the Bill of Lading is equivalent to a delivery of the goods, and this has been uniformly held by the Courts without a single exception. But at Common Law mere possession of the goods does not enable any holder to confer a title to the transferee, if the transferor's title is defective. The possessor may retain the goods and can hand them on by delivering them, but he cannot by selling and delivering defeat the true owner or the person entitled to possession.

There are several points that should be noted by bankers making advances on Bills of Lading. It is essentially the symbol representing goods at sea, and is duly effective as a document of title to goods as long as the goods are at sea, and until the voyage is completed. The voyage is deemed to continue, and the Bill of Lading is effective as a document of title "at least so long as complete delivery of possession of the goods has not been made to some person having a right to claim under it."[1]

Bills of Lading are usually drawn in sets and this gives rise to many opportunities of fraud, and to guard against this, it is desirable to ask the customer to hand over the full set. This, however, in practice, is not always possible.

It has been held in the case of *Sanders* v. *Maclean* (1863), 11 Q.B.D. 327, that in case of sale the delivery of one of the set is a good delivery.

The practice of issuing Bills of Lading in sets has given rise to many difficulties, but the law on the point seems to be quite clear. Lord Westbury in *Myerstein* v. *Barber* (1870), L.R. 4 H.L. 317, said "There can be no doubt, that the first person who

[1] *Myerstein* v. *Barber* 1866 L.R. 2 C.P., p. 53; see Appendix, Case 8.

for value gets the transfer of the Bill of Lading, though it be only one of a set, acquires the property, and all subsequent dealings with the other bills must be in law subordinate to that first one, and for this reason, because the property is in the person who first gets a transfer of the Bill of Lading."

It may happen that a shipowner, having no notice of the first dealing with a Bill of Lading, may surrender the goods against another of the set which is presented to him. This he may legally do, and the shipowner is discharged,[1] but it does not in any way affect the legal ownership of the goods represented by the Bill of Lading; this ownership vests in the person who first in point of time became the holder for value and honestly of one of the Bills of Lading, he being the one who had the first legal right in the property.

Should a banker only have one, or even two, of the set of the Bills, other or others being outstanding, it behoves him to be on the alert and notify the shipowner of his claim as soon as possible, for, as has just been stated, the shipowner, or those acting for him, are justified in surrendering the goods represented by the Bill of Lading to the first party presenting a bill, provided he surrender in good faith without knowledge of prior indorsement. In case of more than one copy of a Bill of Lading being presented to the shipowner, he may interplead.

In some cases Bills of Lading contain a clause "freight and all other conditions as per Charter Party," and such a clause will incorporate in the Bill of Lading all such conditions in the Charter Party to be performed by the consignee as are applicable to and consistent with the character of the Bill of Lading. Such a

[1] *Glyn & Co.* v. *West India Dock Co.*, 1882, 7 Ap. Cas., 561; see Appendix, Case 9.

clause renders it unsafe to advance money on the security of the Bill of Lading without seeing what may be the liabilities under the Charter Party; for the holder of a Bill of Lading may be made liable under such a clause before he can obtain the goods, to pay Charter Party demurrage at the port of loading or of discharge, even though he may be prevented from discharging his goods by the delay of other consignees.[1]

The assignee is held to be bound to look to the terms of the Charter Party, which are incorporated in the Bill of Lading, and to perform them so far as they apply to the goods, and therefore, where according to those terms the goods are deliverable on payment of demurrage, if the assignee fails to pay demurrage he is not entitled to the goods, or if they have already been delivered to him, the law implies a promise on his part that he will do all that the Bill of Lading says shall be done, *e.g.*, pay any demurrage due.[2]

Unless, indeed, the goods have been delivered to him *after* he has expressly denied his liability to pay demurrage and declined to pay it, in which case no such promise can be implied. (*County of Lancaster S.S. Co.* v. *Sharp* (1889), 24 Q.B.D.)

Bills of Lading Act, 1855, contains three short clauses—

1. Rights under Bills of Lading to vest in consignee or endorsee.

2. Not to affect Right of Stoppage *in transitu* or claims for freight.

3. Bill of Lading in hands of consignee, etc., conclusive evidence of the shipment as against master, etc., subject to a proviso.

[1] *Porteus* v. *Walney* (1878) C.A. 3 Q.B.D. 534 ; see Appendix, Case 10.

[2] *Wegener* v. *Smith* (1854) *Common Bench Reports*, 15, 285 ; see Appendix, Case 11. *Chappel* v. *Comfort* 1861, 10 *Common Bench Reports*. New Series, 802, see Appendix, Case 12.

Prior to the passing of this Act, the contract of carriage contained in the Bill of Lading was not transferred by a transfer of the bill, or of property in the goods. The transferee did not acquire any right to sue for a breach of the contract in his own name, nor was he himself liable to be sued upon the contract. Now by indorsement of the Bill of Lading, the rights under the contract follow the property in the goods, provided the owner or assignee is named in the Bill of Lading as consignee, or has the Bill of Lading indorsed to him. The indorser acquires the right to claim for breaches of the contract committed before as well as after he became owner of the goods. The indorsement need not be special: simple delivery of the Bill of Lading endorsed in blank is sufficient. With these rights are also transferred the liabilities in respect of the goods under the contract.

However, Section 3 of Bills of Lading Act, 1855, is of little or no practical value. The agent of the ship, who often signs the Bill of Lading, is not, as a rule, a party to the contract contained in it, and though the master, when he signs in his own name, without qualification, is regarded as a party to that contract, it is not often practically useful to sue.

Thus it would seem that the objects with which Section 3 was passed, have not been attained, and there is much to be said against the present immunity of shipowners. Bills of Lading are, it is understood, sometimes given, without regard to their accuracy, upon letters of indemnity from the shippers. In some trades it is, or has been, the practice to give Bills of Lading for goods before they are alongside of the ship, and even before they have arrived at the loading port, and it is undoubtedly true that mistakes, which care and a better arrangement of the business

might prevent, are very frequently made to the great inconvenience and loss of importers. That has been especially true, as already noticed, in the United States cotton trade.

Goods not on Board.

The rights of suit transferred to the indorsee are limited to those which arise under the contract, as expressed in the Bill of Lading. In *Thorman* v. *Burt* (54 L.T. 349), 7,497 pieces of timber had been brought alongside a ship, and a Mate's Receipt had been given for them; subsequently 216 pieces were in some way lost from the rafts while alongside, and did not get on board, but Bills of Lading were signed by the captain's agent for the whole 7,497 pieces as being *in the hold*. Indorsees of these Bills of Lading claimed for short delivery of the 216 pieces, but it was held by the Court of Appeal that they had not right of action, since they could only claim under the contract in the Bills of Lading, and that only bound the shipowner in respect of the timber actually put on board. So far as the Bill of Lading related to goods not put on board, it was given without authority.

In that case the whole of the timber mentioned in the Bill of Lading had been delivered into custody of the ship, and thus the shipowner was apparently liable for it to the shipper, but the Court regarded that fact as not material to the claim of the indorsees, for their claim was made by virtue of the Bills of Lading Act, 1855, and was confined to what could be claimed under the contract as shown by the Bills of Lading. The shorthand notes of the trial before Groves J., show that the shipowner's liability to the shippers was admitted, subject to possible defences against them.

Limitation of Master's Authority.

The master is only authorized to perform those things usual in the line of business in which he is employed. It may be that he signs a Bill of Lading which states the quality and marks which have been copied on the Bill of Lading from the Shipping Notes, and which indicates the quality of the goods. It has been held that it is not within his ordinary authority to admit that the marks so stated tally with those on the goods, and such admission by him does not bind the shipowner.[1]

It will thus be seen that shipowners often remain free from responsibility for serious inaccuracies in the Bills of Lading to those who advance money on them. The clause " weight, quantity and quality unknown " has been held to over-ride a definite statement in the Bill of Lading of the number and marks on the packages shipped, and thus prevents such a statement from being conclusive even against the master or person signing the Bill of Lading.

In *Sewell* v. *Burdick* (10 App. Cas. 74), it was held by House of Lords : A Bill of Lading may be endorsed and transferred for one of several different purposes ; it may be to complete a pledge, a mortgage or a sale of the goods ; or it may be only to enable an agent to receive them. It is now clear that there is no technical necessity that the property in the goods should pass to the indorsee, contrary to the intention of the indorser, and thus it depends on the intention with which the indorsement is made whether the indorsee can sue and be sued under the Bills of Lading Act, 1855.

In this case Sewell only had a special property in

[1] *Cox* v. *Bruce* 1886, 18 Q.B.D. 147, see Appendix, Case 13 ; *Parson* v. *New Zealand Shipping Co.*, 1901, 1 Q.B. 546, C.A., see Appendix, Case 14.

the goods, not *the* property in a sense necessary to make them liable to be sued under the Bills of Lading Act, 1855.

The master is not bound to notify arrival to consignees—they are bound to watch for it themselves.

The master may land and warehouse the goods, or take such other steps as may be proper for their protection.

Consignees will be liable for any wharfage or other expenses properly incurred in doing so.

Part Delivery.

Some companies, instead of marking the Bill of Lading in the usual manner for quantity delivered, cross out the total number of bales mentioned, and put in the number of bales that have arrived in place thereof, marking alongside the alteration that the latter number of bales had arrived by such a ship.

Lien for Unsatisfied Charges.

There is another question regarding freight to which attention must be called, as it is of great importance to bankers as pledgees of a Bill of Lading. Some Bills of Lading contain a clause making the goods specified in the particular Bill of Lading liable, and giving the shipowner a lien on the goods for "any unsatisfied freights, passage moneys, drafts (whether current or not), or other moneys (whether presently due or not) for which the shipper or consignees may have become liable to the company, their managers or agents in respect of other shipments, or on other voyages, or on any account whatever, and the company, their managers or agents, shall have full power to sell all or any of the goods in order to satisfy any claims for which they may have such a lien."

Where this clause appears it will be necessary for

the bank, as pledgee, to obtain from the shipowner a special letter, stating that that particular clause is not to operate as regards any Bills of Lading held by the bank and issued by that particular shipowner. Should the bank not protect itself by such a letter, it may find that unsatisfied claims for freight charges, etc., make a big hole in the value of the security.

Dock Warrants, Warehousekeepers' Warrants, and Warehousekeepers' Receipts.

Section III (1) of the Stamp Act, 1891 (54 & 55 Vic. Ch. 39) defines warrants for goods as follows—

For the purposes of this Act, the expression "Warrant for Goods" means any document or writing being evidence of the title of any person therein named, or his assigns, or the holder thereof, to the property in any goods, wares or merchandise lying in any warehouse or dock, or upon any wharf, and signed or certified by or on behalf of the person having the custody of the goods, wares or merchandise.

That duty on a warrant is 3d., which may be denoted by an adhesive stamp which must be cancelled by the person by whom the instrument is made, executed or issued.

Every person who makes, executes, issues or receives by way of security or indemnity any warrant for goods not duly stamped shall incur a fine of £20.

It has been difficult to obtain a really good definition of a warrant. One definition states "Under the Factors' Act of 1889, it is 'a document of title' and *any person lawfully in possession of it although not the owner of the goods*, by indorsement and delivery of it has the absolute right to all goods described in it," etc.

This is highly misleading. Collins L. J., in his judgment in the case of *Cahn* v. *Pocketts' Bristol & Company* (1899), 1 Q.B. 658, said "The Legislature

has not carried the rights of a purchaser under these Acts (*i.e.*, The Factors' Acts, 1889, and Sale of Goods Act, 1893), so far as to make the sale equivalent to a sale in Market Overt. The purchaser must accept the risk of his vendor having found or stolen the goods or documents, or otherwise got possession of them without the consent of the owner.". It may also be remembered that Sir John Paget says, speaking of documents of title to goods, that " these documents are merely symbols of the goods and the idea of indirectly making goods negotiable has no place in law."

Now, in dealing with these documents, as well as with Warehousekeepers' Receipts, it would be well, for reasons which will shortly appear, for bankers to keep a list of the names of those whose warrants or receipts are offered, differentiating between those who issue warrants under special or private Acts of Parliament and of those who issue warrants not under any special act. The lists should be revised periodically, and enquiries made as regards the standing and stability of the warehousekeeper, seeing that in the event of their suspending payment, it might be a matter of considerable trouble for the banker to obtain delivery of the goods against which warrants or receipts had been issued.

In England warrants are usually made out in favour of some person, firm or company, and delivery of the goods is made only on surrender of the document duly endorsed. On the Continent the warrant is often made out to bearer. In some cases you may lodge the warrant with the company who issue it, and delivery of the goods will then be made against your Delivery or Transfer Order; some warrants provide for such delivery against the orders of the Registered

Holders. You may have observed on warrants of the Union Cold Storage Company, printed in red ink across the face, the following words—

> This warrant must be returned for indorsement by one of the Directors of the Company if outstanding for six months from the date of issue, otherwise it will be null and void.

It is not known if any one has tested this indorsement, but there seems a great doubt as to the power of any company to make any warrant "null and void." However, to be safe, it is well to send up for indorsement such warrants outstanding six months.

Warrants may be obtained for the whole or part of a cargo, and may be divided into warrants for smaller quantities upon payment of 6d. per warrant. A lost warrant may, after due advertisement of the loss, and upon the giving of a satisfactory indemnity, be replaced by a fresh one.

Warrants usually have a clause embodied therein, that the goods named therein are subject to a charge for rent, etc., incurred by such goods.

Warrants are treated, as a rule, as being assignable, and under the Factors' Act of 1889 they are included in the list of documents of title, and for the purposes of and under that Act they are documents of title, but the indorsement of a warrant does not at Common Law pass the ownership on the goods or divest the vendor's lien if the goods have not been paid for, but merely operates as a constructive delivery of them as between the indorser and indorsee until the company has attorned to the indorser by agreeing to hold the goods for him.

This would not, of course, apply to warrants issued by companies who issue them under their own special Act of Parliament.

In the Scottish case, *Haymans* v. *McLintocks*, 1907, Sc. L.R. 691 (see Appendix, Case 15), the Judge said: (Relative to Section 16, Sale of Goods Act, 1893)—

"Questions were raised and discussed as to the value of these Store Warrants and although what I have said is sufficient for the disposal of this case, yet I may express my opinion upon these documents generally and that is, that they are practically worthless for any other purpose except to permit of the holder going direct to the stores and getting delivery there and then of a specified number of sacks of flour. It will be noticed that no specific goods are mentioned in them, that they are addressed to no particular person and that they contain no obligation to deliver to anyone.

"A similar document was held not to be a negotiable instrument of mercantile exchange in the case *Dixon* v. *Bovill* (3 Macq. 1) and Wharfingers Certificates in very similar terms were held not to be documents of title in the case *Gunn* v. *Bolckow Vaughan & Co.*

McConnell & Reid's and Mr. J. H. Stewart's Claims.

"McConnell and Reid were purchasers of 250 sacks of 'Golden Flower' flour from the bankrupts on 11th January, 1905. The price was paid and they received a delivery order from the bankrupts addressed to Haymans who granted an acknowledgment in terms of the document printed in the record. Subsequently they took delivery of 29 sacks of the said flour leaving 221 sacks which they now claim. The trustee objects to this claim, that this was a contract for the sale of ascertained goods and that in terms of Section 16, Sale of Goods

Act, 1893, no property in the goods was thereby transferred to the buyer unless the goods were ascertained. Now it is clearly proved that these goods were never ascertained, that the claimant never asked Messrs. Haymans to separate them from other goods of a similar brand belonging to the bankrupts then in their store, and that it is not the custom of such stores to make such separation unless the storekeeper is specially asked to do so and is paid for his trouble. These being the facts I think it follows that no property in these goods passed to the buyers, and that the property remained in the bankrupts till the date of the sequestration."

SALE OF GOODS ACT, 1893

Transfer of property as between Seller and Buyer.

Section (16). *Where there is a contract for the sale of unascertained goods no property in the goods is transferred to the buyer unless and until the goods are ascertained.*

Blackburn on *Contract of Sale*, 3rd Edition, 1910, states—

Acceptance and receipt of Delivery Order not lodged with warehousemen did not bind the bargain. *Benball* v. *Burn*, 3 B. & C. 423.

Dock Warrant, Warehousekeepers' Certificates, Warrants and orders for delivery of goods. No custom of merchants relating to them has ever been established.

Indorsement of a Delivery Order or Dock Warrant has not any effect (independently of Factors' Act) beyond that of a token of an authority to receive possession.

Iron Warrants for goods deliverable to the purchasers or their assigns by indorsement, pass to the holders for value free from vendor's lien. These warrants were introduced in 1846, and have been in general use in the Iron Trade since 1866.

The late Mr. Arthur Cohen, the eminent K.C., throws doubt upon the negotiability of warrants, and says that whatever the custom may be, that by law, they are not negotiable.

He says: "Whether the custom can be established in London I do not know, but in the absence of such custom (being admitted by the Courts) it seems, according to decided cases, very doubtful whether the banker advancing money to a person on Dock Warrants would acquire a good title as against that person's Trustee in Bankruptcy, merely by reason of the fact that the wharfinger would probably refuse to deliver the goods to anyone who did not produce the warrants."

"It must always be remembered that Delivery Orders and Dock Warrants are not considered by law as symbols of property, the delivery of which is equivalent to the delivery of the goods. They do not stand in exactly the same position as Bills of Lading. In many important points our law, according to several decided cases, refuses to treat them as symbols of property."

"The doubts on this point are confirmed by a passage in Blackburn on *Sale*. "These documents (viz. Warrants, etc.) are generally written contracts by which the holder of the document is rendered the person to whom the holder of the goods is to deliver them, and in so far they greatly resemble Bills of Lading, but they differ from them in this respect,

that when goods are at sea the purchaser who takes a Bill of Lading has done all that is possible in order to take possession of the goods, as there is a physical obstacle to his seeking out the master of the ship and requiring him to attorn to his right; but when goods are on land there is no reason why the person who receives a delivery order or Dock Warrant should not at once lodge it with the bailee, and so take actual or constructive possession of the goods. There is, therefore, a very sufficient reason why the custom of merchants should make the transfer of the Bill of Lading equivalent to an actual delivery of possession, and yet not give such an effect to the transfer of documents of title to goods on shore."

On the other hand, in *Lucas* v. *Dorien* the Judge said he had been repeatedly stopped by special juries of merchants who testified that they always treated the transfer of a Dock Warrant as equivalent to a transfer of the goods themselves.

In London, custom treats the transfer of these instruments in exactly the same way as the transfer of a Bill of Lading, that is, as equivalent to the transfer of the goods themselves.

Custom may differ in the matter of treating these documents—one custom may prevail in Liverpool, another in Hull, and yet quite a different method be practised in London; custom need not be uniform throughout the country.

Private Acts of Parliament have been passed of late years at the instance of certain Dock Companies and firms of warehousemen enabling them to issue transferable certificates and warrants for the delivery of goods entitling the person named or the last indorsee to the goods specified therein. Some of these Acts provide that "the goods so specified shall *for all*

purposes be deemed to be *his property*," while other Acts provide that such persons "shall have the same right to the possession and property of such goods as if they were deposited in *his own warehouse*."

Mr. Butterworth says that: "These enactments seem to go much further than the provisions of the Factors' Act, and that before advising on any case of advances made on the security of any warehouse-keeper's certificate or delivery warrant and not falling within the Factors' Act, it would be necessary to ascertain whether the particular Dock Company or firm of warehousemen had obtained such a private Act of Parliament, or not."

The Liverpool Warehousing Company, Ltd., in a small book issued by them, containing a copy of their "Delivery Warrants Act, 1896," give an "Explanatory Memorandum," which, as it is short and fully explains their reason for obtaining the Act to enable them to issue transferable warrants, is given here in full.

THE LIVERPOOL WAREHOUSING CO., LTD.

DELIVERY WARRANTS ACT, 1896

EXPLANATORY MEMORANDUM

Under "The Liverpool Warehousing Company, Limited (Delivery Warrants) Act, 1896," the company has acquired statutory powers to issue warrants for the goods deposited in its warehouses. These warrants are made by the Act, documents of title, and are transferable by indorsement or special indorsement, and the holder, whether the person named therein, or the holder of a warrant bearing an open indorsement,

or the indorsee of a warrant bearing a special indorsement, is (subject to the payment of the rent and charges payable to the company in respect of the goods specified in the warrant) to have the same rights to the goods as if they were deposited in his own warehouse.

The necessity for obtaining these statutory powers arose from the fact that the Courts hold that a warehouse-keeper cannot be compelled, without his own consent, to hold goods deposited with him for any person other than the original depositor. This being the law it was necessary, every time a warehouse receipt changed hands, for the new owner to get the warehouse-keeper's consent to hold the goods on his account. Until such consent had been given the warehousekeeper continued to hold the goods for the original depositor, and the original depositor, although he had sold the goods, still retained control over them, and in the event of his bankruptcy they passed to his trustee.

This necessity for obtaining the consent of the warehousekeeper having been found to seriously interfere with business, the company has obtained statutory powers which will render the obtaining of such consent unnecessary. A merchant or broker having goods in one of the company's warehouses will be able, by transferring the warrant, to transfer a good title to the goods; an advance can be obtained from bankers without the delay that has hitherto been caused by the necessity for obtaining a warehouse-keeper's consent to a transfer; and goods that are sold for cash can be transferred by the delivery of the warrant without there being any necessity to get the warehousekeeper to transfer the goods into the name of the purchaser.

The warrants will, therefore, not only confer a perfectly good title to the goods themselves, but they

will enable the holders to transfer the property in such goods without reference being made to the company."

As many warehousekeepers who issue warrants have no special Act of Parliament to protect those who handle their warrants, it behoves banks to be very careful in dealing with any that come into their hands. Should they be warrants issued under an Act of Parliament, and be duly indorsed, the title is good, but should they be issued by warehousekeepers who have no special Act, it will be advisable for bankers, for the reason given in the extract above, at once to send in the warrant, and have a fresh one issued in their own name.

As regards all documents of title, the Common Law drew a hard and fast distinction between Bills of Lading and other documents. The lawful transfer of a Bill of Lading was always held to operate as a delivery of the goods themselves, because whilst goods were at sea they could not otherwise be dealt with. (*Startup* v. *Macdonald* (1843) 6 M. & Gr. 593 Ex. Ch.) But the transfer of a Delivery Order or Dock Warrant operated only as a token of authority to take possession, and not as a transfer of possession,[1] and as between immediate parties, there is nothing to modify the Common Law rule. If, however, a buyer or Mercantile Agent, who is lawfully in possession of any document of title to goods, transfers it for value to a third person, the orignial seller's right of lien and stoppage *in transitu* are thereby defeated (Factors' Act, 1889, Sec. 10). The Factors' Act, 1889, modifies the rule of Common Law.

Warehousekeepers' Receipts.

In practice it is found that Warehousekeepers'

[1] *McEwan* v. *Smith* (1849) 2 H.L. Cases, 309 ; see Appendix, Case 16.

Receipts are more easily handled, and suit the bankers better.

The title to goods contained in warrants issued under special Acts of Parliament, passes with the delivery of warrants duly indorsed, but should delivery of a portion only of the goods be required, it is usually necessary for the warrant to be delivered to the warehousekeeper discharged and a fresh warrant obtained for the balance, which in practice we find unworkable. For this reason the Warehousekeepers' Receipts in the bank's name is preferred, the title to the contents of which does not pass by indorsement of the receipt; indeed, these receipts do not require to be re-delivered to the warehousekeeper at all, deliveries being made against Delivery or Transfer Orders in favour of a third party.

These Warehousekeepers' Receipts or Certificates are documents issued by a warehousekeeper acknowledging receipt of certain goods specified, stating that the goods are held at the disposal of the person or persons named therein.

They are usually marked "Not Transferable," and are issued subject to certain conditions, which are, as a rule, indorsed on the instrument. These conditions vary considerably, and are sometimes very onerous as regards rent and charges. The warehousekeeper usually retains a lien upon the goods named in the receipt, not only for rent and charges for the goods specified, but also for rent and charges upon any other goods which may at any time be owing to the warehousekeeper by the person or firm to whom the receipt was originally issued. A transferee may thus never know the extent of the liability attached to such certificate or receipt.

Warehousekeepers should state on the receipt that

the goods are held subject to a lien for rent thereon only, and free from all other liens, freights and charges, or as an alternative the bank may obtain a letter from the warehousekeeper waiving his right to a general lien, and stating that the goods mentioned in the receipt are liable for charges accruing upon the specified goods only.

The Mersey Dock Board, the Manchester Ship Canal Co., and several others will not waive their lien or make any such arrangements.

Sometimes the warehousekeeper will put upon the receipt the estimated amount of rent and charges. (All Warehousekeepers' Receipts must be stamped 3d. each.)

Whether a receipt or certificate given by warehousekeepers or wharfingers is or is not a document of title depends on its form.

If it is such as to make the goods deliverable to "A.B. or assigns," it is in effect a warrant, and represents the goods, and is therefore a document of title; but if it is merely a certificate that the goods are "ready for delivery" it is *not* a document of title.

A word of warning should be given as regards the registering of this class of document in your books. These receipts do not require to be re-delivered to the warehousekeeper; the surrendering of the goods named therein being made against the bank's Delivery or Transfer Orders in favour of a third party. The main record of the deliveries made from time to time against a particular receipt would be the entries in your books, and these should accordingly be entered and carefully checked before a Delivery or Transfer Order is issued. When the goods included in a warehousekeeper's receipt have all been delivered the receipt itself

should be taken out of the customer's securities parcel and held among " expired " securities for a time.

See that the stocks of produce remaining in the warehouse are verified by obtaining a quarterly confirmation from your customer and an annual or semi-annual confirmation from the warehouse-keeper.

Delivery Order.

This is an order addressed by the owner of goods to the person holding them on his behalf, requesting him to deliver them to a person named in the order.

Delivery and Transfer Orders are used in the case of goods held by Dock Companies, wharfingers, warehousemen, etc. Such an order is a document of title under the Factors' Act, 1889, but does not transfer the property or divest the vendor's lien for the purchase money, until it is acted on by the holder obtaining either—

1. Actual delivery; or
2. An entry of his title in the warehousekeeper's books; or
3. The issue of a warrant or warehousekeeper's receipt in his name,

which last operation would apparently pre-suppose the second. Until he does one of these things, the original owner may stop delivery or obtain delivery to himself or transfer the property in the goods to some one else.

Apart from the Factors' Acts, a Delivery Order is not a document of title, but only " the token of an authority to receive possession." (*Farina* v. *Horne* (1846), 16 M. & W. 119.) Delivery Orders need not now be stamped. (Finance Act, 1905, Section 5 (2).)

Delivery Orders issued by firms upon warehouse-keepers, wharfingers, master porters at the quay,

and upon other firms for the delivery to a third person of the goods named therein, are frequently used in the markets, and pass from hand to hand fairly freely in some trades, but you will understand from what has been said that those who treat these documents as negotiable are running grave risks, and although a Delivery Order issued by a firm entitled to the goods, and countersigned by the warehousekeeper, may be some security, and the taking of it may be unavoidable, it should be lodged at once with the warehousekeeper or wharfinger, as the case may be (and a written acknowledgment that it is in order and will be acted upon should be obtained), and instructions should be given for the warehousekeeper to store the goods in the name of the bank and send a receipt in due course; but, as a rule, the bank would hand the Delivery Order back again to the customer under a Letter of Engagement, for the purpose of the goods being stored in the bank's name. Most Delivery Orders are not countersigned, and cannot therefore be looked upon as representing the existence of the goods, or that the quantity named will be delivered when the order is presented.

All Warrants, Warehousekeepers' Certificates or Receipts and Delivery Orders, and any other document used in the ordinary course of business as proof of the possession or control of goods, etc., are excluded from the statutory definition of a Bill of Sale in Section 4 of the Bills of Sale Act, 1878.

Delivery or Transfer Orders should be given in favour of the bank's customer who pledged the goods and who makes the application for the order.

In cases where bankers have discounted the Brokers' or the Spinners' Draft, the orders may be granted to either. In no case should an order be

granted in favour of the buyer of the goods, even at the request of the customer, although some banks do this. We are advised that to bring the Delivery Orders under our Trust Letter, we must keep strictly to our custom of only making them out in favour of the customer, who under the terms of the Trust Letter undertakes to hold the Delivery Orders, and the property represented thereby and the proceeds thereof and all insurances thereof, in trust for the bank, and he undertakes further to pay the proceeds specifically and directly to the bank immediately on receipt thereof.

The Delivery or Transfer Order should contain a clause that all charges are to be paid on the goods delivered, by the person in whose favour the order is given.

DIFFERENCE BETWEEN BILLS OF LADING AND OTHER DOCUMENTS OF TITLE, VIZ.: DOCK WARRANTS, WAREHOUSEKEEPERS' AND WHARFINGERS' WARRANTS OR CERTIFICATES, WAREHOUSEKEEPERS' AND WHARFINGERS' RECEIPTS AND DELIVERY ORDERS.

Except as provided in the Factors' Act, 1889, the Sale of Goods Act, 1893, and under certain private Acts of Parliament, the above mentioned are not considered as "documents of title" at all; they are merely "tokens of authority to receive possession."

A Bill of Lading, on the other hand, has always been regarded by the Law Merchant as a "document of title."

As most of bankers' advances come under the provisions of the Factors' Act, 1889, this difference is not so important as it was at one time, but it is well to bear the difference in mind, as cases may still arise which may not come under any of the above mentioned Acts. In such cases the transfer of a Bill

of Lading will be equivalent to a transfer of the goods, but the transfer of a Dock Warrant, Warehouse-keepers' Warrant or Certificate, or Delivery Order will not be so considered, unless the warrants are issued under special Acts of Parliament.

The transferee of a Bill of Lading is deemed to be in possession of the goods; the transferee of one of the other documents is not.

CHAPTER IV

THE PLEDGE—THE FORMS IN USE—THE TRUST LETTER, ETC.

Hypothecation.

IN its proper sense, hypothecation is where a ship, or her freight or cargo, or all three, are made liable for the payment of money borrowed by the master. In that sense it is of two kinds: bottomry and respondentia.

Commercially, where property is charged with the amount of a debt, but neither ownership nor possession is passed to the creditor, it is said to be hypothecated; as for example, where a borrower, being entitled to goods in the hands of a third person, or prospectively entitled to property not yet in existence, gives the creditor a right of sale, and of appropriating the proceeds in satisfaction of his debt in the event of non-payment. Sometimes the word is used in a comprehensive sense to denote any form of charge to secure the repayment of an advance.

A Letter of Hypothecation may create a trust over the goods in favour of the lender, as between the borrower and the lender, whose only remedy in case of breach is to claim for damages. No property in goods can pass by a Letter of Hypothecation.

It is not deemed to be a Bill of Sale within the meaning of the Bills of Sale Act, 1882, so does not require to be registered. This exemption from the provisions of the Act does not operate in Bankruptcy proceedings so as to take the goods, comprised in such Letter of Hypothecation, out of the "reputed

ownership" clause; if apart from such hypothecation, the goods would be liable thereto.

Lien.

"Lien is the right which a person has to retain that which is in his possession belonging to another until certain demands of him by the person in possession are satisfied." (*Hammonds* v. *Barclay*, 2 East 227.)

Liens may be divided into three main classes, viz.—

1. Possessory.
2. Equitable.
3. Maritime.

1. Possessory liens may be subdivided in—
   (*a*) Particular (or specific).
   (*b*) General.

(*a*) A particular lien is the right of a creditor to retain possession of his debtor's property until his debt has been satisfied; thus if you take your boots to be repaired, the bootmaker has a particular lien upon the boots for the cost of the repairs.

(*b*) General lien is the right to retain the property of another person, not only in respect of specific charges, but for a general balance of account.

The principal instances of general lien arising by operation of law, occur in the case of bankers, solicitors, brokers, factors, wharfingers, warehouse-keepers, and innkeepers, but a general lien not existing in the Common Law, will only be allowed where justified by an express contract between the parties or an implied contract resulting from the usage of trade. Where a general lien is claimed to exist by custom, the existence and extent of such custom must be conclusively proved: moreover, it must be notorious and reasonable.

Possession is essential to the existence of a special or general lien.

The general lien of bankers is part of the law merchant, and judicially recognized as such. (*Brandao* v. *Barnett,* 12 Cl. & Fin. 787.)

Although the class of securities which would be subject to the bankers' lien has not been clearly defined, it may be said to extend to all the usual securities that a banker deals with, and which have come into his hands in his capacity as banker. The securities would not be limited to negotiable instruments only. The lien attaches to negotiable instruments, whether belonging to the customer or not, provided that in the latter case, the banker has received them in good faith. It need hardly be said that where securities have been lodged with a banker for safe custody only, the banker has no lien upon them—he is in that case a bailee.

As regards any credit balances in the customer's name, Mr. Morse, in the *American Law of Banking* (Boston, 4th Ed., p. 596), says that the word "lien" cannot properly be used to the claim of the bank upon a general deposit; for the funds on general deposit are the property of the bank itself. The term "set-off" should be applied in such cases, and lien when a claim against paper or valuables on special or specific deposit is referred to.

A possessory lien carries with it the right of detaining whatever is subject to it. A customer, therefore, cannot insist upon taking any securities subject to the lien out of the hands of his banker, as long as any balance is due to the banker. A possessory lien carries with it also the right of realizing the security. In this respect the banker's rights resemble those of pawnee. (*Donald* v. *Suckling* (1866), L.R. 1 Q.B.

585.) As regards a bill which has been dishonoured, the banker's lien is merged in the higher rights of an independent holder for value.

2. Equitable lien has nothing to do with possession, but is " a right to have a specific portion of property dealt with in a particular way for the satisfaction of specific claims " (*e.g.*, vendor's lien for purchase money).

3. Maritime lien, a privileged claim upon a thing in respect of service rendered to it, or injury caused by it, in connection with some maritime adventure, which claim must be carried into effect by legal process in the Admiralty Court.

This right differs from the Common Law lien to the extent that it exists without possession (actual or constructive) of the subject upon which it is established. Salvage claims, collision claims, seamen's wages, and bottomry bonds are instances of such claims as give rise to a maritime lien.

The Pledge.

The various documents we have been discussing are handed to the banker under what is termed in law a pledge, that is to say, the goods as represented by the various documents of title are deposited with the banker, to be held by him until the advance or engagement of the customer is satisfied, the banker having the power to sell under his agreement at such time or times as he may think fit. The general property in the goods remains in the pledgor; the pledgee, *i.e.*, the banker, has only a special property or right of detaining the goods for his security until payment of the debt.

" A pawn or pledge in favour of a person other than a banker differs from a lien, which conveys no right to sell whatever, but only a right to retain until the

debt, in respect of which the lien was created, has been satisfied, and which passes no property"; but Lord Campbell, in *Brandao* v. *Barnett* (1846), 3 C.B. 53, however, described a *banker's lien* as an "implied pledge," and so under a banker's general lien he has power to realize.

A pawn or pledge differs, on the other hand, from a mortgage, which conveys the entire property of the thing mortgaged to the mortgagee conditionally, so that when the condition is broken, the property remains absolutely to the mortgagee, whereas a pawn never conveys the general property to the pawnee, but only a special property in the thing pawned, and the effect of a default in payment of the debt by the pawner is not to vest the entire property of the thing pledged in the pawnee, but to give him a power to dispose of it, accounting for the surplus; and if he neglects to use this power, the general property of the thing pawned continues in the pawner, who has the right at any time to redeem it. (*Cf. Halliday* v. *Holgate* (1868), L.R. 3 Ex. 299 & 302.)

The delivery of the goods pledged should be given either actually or constructively. Until that has been done there is no complete legal title. A customer's *agreement* to pledge certain goods to a banker will only give the banker an equitable right, as lawyers call it. The property of the goods, as well as possession, will remain with the customer, and he would still be able to transfer the goods to others. For instance, he may sell the goods or pledge them elsewhere, giving possession, and so defeat the equitable right previously given.

The difference between legal interest and equitable interest in the goods pledged is of great importance to bankers, and it behoves the bank to see that the

pledge is complete by getting possession, either actually or constructively, of the goods pledged.

Constructive delivery will be completed, where, if the goods are of bulk, the key of the warehouse in which they are contained is delivered, or if the goods are at sea, the Bill of Lading is delivered, or if the goods have been stored, a Warehouse Receipt in the bank's name, or a warrant is delivered, provided that such warrant be issued under an Act of Parliament, making it a transferable document. A pledgee may re-deliver the goods to the pledgor for a limited purpose without thereby losing his rights under the contract of pledge against the pledgor himself or his creditors.[1]

Duty of Pledgee.

The pledgee must exercise ordinary care of the goods pledged as long as his right of retention continues. (If the bank store the goods themselves, it is usual to take the customers' instructions as to where they are to be stored; as a rule, however, the customer attends to the storage). After repayment or tender they are at the pledgee's risk until returned to pledgor.

Redemption.

The pledgor is entitled to redeem the thing pledged upon payment of the debt at the appointed time, or afterwards, so long as the thing pledged remains in the possession of the pledgee.

If the pledgor tenders to the pledgee the amount due on the security, and the pledgee refuses to accept it, his special property in the goods is determined, and the pledgor can maintain an action in respect of the detention of the goods.

[1] *North Western Bank* v. *Poynter, Son & Macdonald* (1895) A.C. 56; see Appendix, Case 17.

Bank of N.S. Wales v. *O'Connor* (1889), 14 A.C. 273, p. 282.

Yungmann v. *Briesmann, W.N.* (1892), 162.

Advance against Exported Produce.

The case of *Ladenberg* v. *Goodwin, Ferreira & Co., Ltd. (in Liquidation) and J. P. Garnett (the Liquidator)*—Judgment given in 1913—aroused considerable interest, and was decided in favour of the Liquidator of Goodwin, Ferreira & Co., Ltd., that is, against Ladenberg. *The Journal of the Institute of Bankers,* Vol. XXXIV, p. 54, gives the details as follows—

" The plaintiffs made advances to the defendant Company on the Company's drafts. The Company gave the plaintiffs duplicate Bills of Lading, copies of invoices of goods shipped by them, and a letter hypothecating the shipments or the proceeds thereof. The Company sold goods to their customers, all charges from the warehouse being charged to the customers' account, and on six months' credit. The goods were shipped on Bills of Lading made out to the *customers' order* (*i.e.*, to the order of the firm abroad). The Company having gone into liquidation, the plaintiffs claimed to be entitled under the letter of hypothecation to the proceeds of a particular shipment of goods.

" Held, that the letter of hypothecation gave a mortgage or charge not on the goods but on the proceeds thereof, and that such charge was on the book debts of the Company within Section 93 of the Companies (Consolidation) Act, 1908, and as it was not registered, it was void against the liquidator of the Company."

It is difficult to see how judgment could have been given otherwise. Ladenberg never had possession,

either actually or constructively, of the goods, and therefore they could not create any trust thereon; the Bills of Lading appear to have been made out in favour of the customers' order (*i.e.*, the firm abroad), and apparently the plaintiffs only had duplicate Bills of Lading in their possession. The customers had consequently the sole property in the goods, subject only to the possible right on the part of the defendants to stop *in transitu*. In these circumstances, it is difficult to see how any valid charge or mortgage on the goods could be given to the plaintiffs. As regards the hypothecation upon the proceeds of the goods, the proceeds were the invoice value to be paid by the customer, and that seemed to be a book debt owing by the customer to the defendants. It was said that when the money got into the hands of the defendant company, or into the hands of the liquidator, it was impressed with a trust in favour of the plaintiffs. His Lordship said, it seemed to him that there was a charge upon the money which, until it was paid to the defendants, was a book debt, and it was because it was a book debt that, when received, it was impressed with a trust, if it ever became so impressed.

In these circumstances, it was a charge within Section 93 of the Companies (Consolidation) Act, 1908, and as it was not registered it was void against the liquidator.

The simplest way by which Ladenbergs could have covered themselves would have been for Messrs. Goodwin to have drawn drafts upon their customer at a certain tenor, with the Bills of Lading attached thereto, the Bills of Lading being to Goodwin's order and indorsed by them in blank, the drafts and Bills of Lading being then handed to the bank for collection,

the bank allowing Goodwins to draw against the bills so held, and the bank would then have had a lien on the bills to the extent of any overdraft granted.

Bills of Lading indorsed in blank by the customer are sometimes handed to the bank for the bank to send to some foreign town to be surrendered against payment of a stated sum. Any advance granted by the bank against the shipping documents thus received would be covered by the bank's lien on the property represented by the documents, and on the proceeds.

Advances against Imported Produce (Amount Advanced being Cabled).

With the great facilities now offered for cabling money, amounts are frequently cabled to foreign towns to be paid to certain firms against the surrender of shipping documents representing certain goods. These documents should always be drawn to the shippers' order, and be indorsed by them before being sent over to this side. In the case of some goods, viz. : food stuffs, the documents will be Bill of Lading, Examiners' Certificate and Marine Policy.

The customer signs a letter instructing the bank to cable to their agents at the foreign town to negotiate under the bank's guarantee the drafts of A. Y. & Co., drawn either upon the bank or upon the customer, as may be arranged, if presented to the agents on or before a certain time, the drafts to be drawn at sight, payable in London, to the aggregate extent of £..... for invoice value or part invoice value of shipment of *x* cases of merchandise, to Liverpool, for which the Bills of Lading to " order," hypothecated to the bank in the usual way for the bank's security, are to accompany the drafts, and in consideration of the

bank so doing, the customer engages to pay, on presentation, all drafts drawn on them so negotiated by the agents, or to provide the bank with cash funds to meet all drafts upon presentation drawn upon the bank and negotiated by the agents, and the customer charges the merchandise represented by the said documents with the repayment of the amount of the said drafts with interest, commission, and all charges, and gives the bank full discretionary power of sale over the merchandise at such times, either before or after arrival, as the bank may deem fit.

The customer will further state in his letter that the Marine Insurance will be taken out either by himself or by the shippers, and that War Risk will be covered, and he undertakes to hold the Marine Insurance and War Risk Insurance in trust for the bank, and in the event of loss in due course to recover and receive the Marine Insurance moneys and War Risk moneys and pay the same to the bank as and when received. The customer will state that their engagement to pay shall continue in force, notwithstanding any changes in the individuals composing the respective firms, and that no responsibility is to attach to the bank or the bank's agents as to documents, beyond seeing that they purport to be in order, and they agree to hold the bank and the bank's agents harmless in respect of any loss or damage that may arise in consequence of error or delay in transmission of the bank's or the agents' messages, or misinterpretation thereof, or from any cause beyond the bank's or the agents' control.

Advances against Imported Produce (not Cabled).

In the first chapter a broad outline of how advances against produce were carried through is given; in

the second chapter we discussed the details of the Factors' Act of 1889, and touched briefly upon the Sale of Goods Act, 1893. In the next chapter we discussed, the significance of the various documents of title. In this chapter Hypothecation, Lien, and Pledge are dealt with, and we will now see how the various documents are deposited, how the bank safeguards itself, and how the overdrafts granted are liquidated.

The simplest form of advance is when the customer says "I will deposit with you this Bill of Lading representing such and such goods," or, "I will store in your name such and such goods and will hand you the Warehousekeepers' Receipt, and I will pay you cash against each Delivery Order or Transfer Order I require, until I liquidate the advance."

But the transaction does not often take this form, and so methods have been devised, and suitable forms drafted, to meet other conditions which arise.

You will quite understand that the procedure outlined refers only to that employed by a particular bank, and the forms explained are those in daily use, but they are more or less identical with those used by other banks who advance against produce. (For copies of the forms referred to see Appendix.)

The borrower fills in an "advance application" letter,[1] in which he enquires if the bank will advance to him and on what conditions, the sum of £..... against property, the particulars and value of which are listed at the foot of the letter, and the borrower undertakes to repay on or before a certain date. He informs the bank that he will effect the Fire Insurance on the property, and in the event of loss will hand the amount received from the insurance to the bank. The price which the borrower must insert in the

[1] See Appendix, Form A.

application must be the market price of the day. It happens sometimes that the applicant, having sold the goods, fills in the contract price, but this is not sufficient. What the bank requires is the price which the goods would bring in the market if it became necessary for the bank itself to realize. If the goods have been sold, the particulars of sale, viz.: buyer's name and contract price should also be inserted.

Usually on produce advances a margin of 10 per cent. to 20 per cent. is required. This varies, however, being governed by the marketability of the produce. The advance is granted for a term not exceeding three months. This time is fixed so as to afford an early opportunity for reviewing the condition of the advance, the security and the market. Of course, the produce loan department watch the market day by day, and report to the management anything calculated to cause anxiety.

Should the security be a Bill of Lading, endeavour to get the full set. We discussed the reason for this in the previous chapter, but as this is sometimes not possible, find out where the remainder of the bills are and keep a look out for them. Should the goods arrive before the Bill of Lading, as may happen, the bank sometimes joins with the customer in giving the shipowner an indemnity, under which delivery of the goods is obtained without production of the Bill of Lading. This should be done but rarely and with caution.

It will be found convenient not to have a general advance account in which all advances for the customer are entered, but a series of accounts—advance No. 1, advance No. 2, and so on—the records of which can be kept separately, and the proportion of security to advance accurately watched.

While it is held true no document is legally necessary to establish a banker's general lien over all the securities lodged by a customer, whether originally connected or not with the specific advances comprised in the customer's total indebtedness to the bank, it is well to place the matter entirely beyond question, and to impress the fact on the customer by taking from him a General Lien Letter. (See Appendix, Form P.)

As soon as each individual advance is paid off by the proceeds of sales, or otherwise, the account should be made up at once, and the charges debited to the customer's current account, and the specific advance ruled off.

In the forms used by the bank for the purpose of establishing a trust under which the sale of the produce may be effected and the proceeds paid into the bank, it should be noticed that although the forms are regulated to a certain extent by the nature of the security, they are all drawn with a view of establishing the ownership by the bank of all the documents, the produce and the proceeds, and the obligation on the part of the borrower to hold all the documents, produce and proceeds, in trust for the bank. The forms further stipulate that the borrower shall insure against Fire Risk, and in case of loss, pay the insurance money to the bank.

The security tendered may be in several forms, viz.—

1. Bill of Lading.
2. Dock Warrants, Warehousekeepers' Warrants, or Warehousekeepers' Receipts.
3. Transfer Orders.

1. The customer having applied for an advance

on Form A,[1] may at that point be able to bring the Bill of Lading with him, but it very frequently happens that he requires to draw the money from the bank to lift the Bill of Lading elsewhere; the bank accordingly, in that case, makes the advance without any security for the moment. The Bill of Lading is then brought to the bank, and the bank hands it back to the customer, on the arrival of the goods, accompanied by a letter in Form "B" or Form "C." Form "B" is used where the property is going to be stored in warehouse, and the Warehousekeeper's Receipt in the name of the bank handed to the bank. Form "C" is used where the property is going to be sold ex Quay, or where sale is so imminent that the bank agrees to allow the customer to retain custody of the property. To each of these letters "B" and "C" is appended a form of acknowledgment for the customer to sign and return to the bank, which, it will be seen, is a definite engagement to carry out the bank's instructions. The customer's acknowledgment is technically known as a "Trust Engagement" or "Trust Letter." In the event of Form "B" having been used, the Warehousekeeper's Receipt in due course is handed to the bank.

In some cases the bank sends the Bill of Lading direct to the warehousekeeper with a letter (Form "K") instructing the warehousekeeper to claim, warehouse, and hold the property in the name of the bank, and the warehousekeeper acknowledges receipt of the documents in a form provided by the bank, undertaking to carry out the bank's instructions. It may happen that part only of the goods represented by the Bill of Lading have arrived; in that case the warehousekeeper returns the Bill of Lading to the

[1] See Appendix.

bank marked with the portion delivered, so that the balance of the property may be dealt with on arrival later on.

As soon as the warehousekeeper has claimed and stored the goods and handed his receipt to the bank, the bank at once sends to the customer a letter (Form "J") so as to put in writing the conditions on which the advance is made, and receive in due course the "Trust Engagement" appended thereto, duly signed by the customer.

2. In the event of the advance being made against Warehousekeeper's Receipt, Warehousekeeper's Warrant, or Dock Warrant, the customer makes application on Form "A," but instead of Form "B" or Form "C," the bank's Letter of Instructions is issued in Form "J." This form also establishes a Trust.

3. When Delivery or Transfer Orders are tendered as security Form "L" is used. In most cases the bank at once lodges the order with the warehousekeeper for the goods named therein to be stored in the bank's name; occasionally the document is handed back again to the customer to be dealt with by him.

The goods, sooner or later, will be sold or the advance paid off out of other money and a Delivery Order or Transfer Order will be required; the customer then applies for the order, either Transfer or Delivery as the case may be, using Form "D" This form must be signed by the customer, or by some duly authorized person on his behalf, and must refer to the original Trust Letter. Against this application a Delivery Order or Transfer Order is issued on Forms "E," "F," or "G." In the selection of the particular form of Delivery Order or Transfer Order the bank is guided, first of all, by the requirements of the particular warehousekeeper with whom the goods are stored;

secondly, by the question of whether the customer wishes the goods transferred to his order in the books of the warehousekeeper or wishes to have them actually delivered. Care must be taken in the issuing of these orders that the warehousekeeper be directed to collect rent and charges before delivering or transferring the goods.

The order having been signed and handed to the customer, the sale must be entered in a diary, under the date when proceeds are due, all important particulars being given. This diarising is most important. Should the proceeds not come in promptly, enquiry should at once be made of the borrower as to the reason for the delay, and, if necessary, he should be reminded frequently; for the maxim "Watch the proceeds" comes into play at this point, and gentleness combined with firmness in the early stages will often save the bank a bad debt, and may earn a customer's gratitude. The particulars given on the application for the Delivery Order or Transfer Order, must, of course, correspond strictly with the details on the Trust Letter.

In all cases, the borrower advises the bank of the names of the people to whom he has sold the goods; these names should be carefully scrutinized, and the bank should satisfy themselves as to the standing of the buyers. The amount for which the goods are sold should be watched with reference to the market price and an explanation received if the prices vary at all considerably, and the "prompt" should accord with the usual trade terms.

The credit notes (for specimens on the various forms see Appendix) upon which the various proceeds will be paid in must contain sufficient particulars of the sale to which the proceeds relate, to enable the transactions to be duly recorded and marked off in the diary.

There will be times when the borrower will want to withdraw the documents the bank hold, and substitute others in their place. In this case, a letter (Form "M") is addresssed to the bank, in which the borrower refers to the bank's original Letter of Instructions relating to advance No..... for £....., and asks to be allowed to substitute certain property detailed in lieu of the property listed in original letter, and the terms of the original Trust Letter are revived. As regards the bank's position, reference should be made to the Factors' Act, 1889, Section 5, which is discussed fully in the second chapter.

Sometimes a Delivery Order or Transfer Order is given for produce which has been sold, and it happens that the buyer refuses the goods; the broker or the borrower will then hand the goods back to the warehousekeeper, obtain a fresh receipt in the bank's name, and hand the receipt to the bank on the substitution Form "M." This is done to re-establish the Trust, and to make quite sure should the substituted property turn out afterwards to be different from the original property.

Watch carefully that any substitution is antecedent to or simultaneous with the receipt of proceeds.

Substitution ought not to be encouraged.

Deterioration and Rent.

A sharp look out should be kept that the bank delivers every package lodged in its name in the warehouse, or it may be surprised some day by a demand for rent for some forgotten package. A case is known where a bank had some thousands of bundles of jute fibre stored, and as these bundles were, relatively speaking, small, the delivery orders were generally worded "deliver 500 bundles more or less."

Five years after this particular advance had been closed, and the firm defunct a year or more, the warehousekeepers demanded £3 to £4 rent for some thirty bundles, which had been lying in the warehouse forgotten in a corner; the value of the fibre being about 30s., the bank told the warehousekeepers to realize and get what they could, and as the warehousekeepers acknowledged they had overlooked the goods, they did not press for the rent, but took possession of the fibre, and, presumably, realized somethng towards their claim. Again, a firm of grain merchants stated that some years ago they had some tons of Siberian beans stored in bulk in a warehouse, and they lay there undisturbed for three years. At last, having found a purchaser, workmen were sent to place the beans in sacks, the beans being stored in bulk. The first touch of the wooden shovel, however, caused the whole mass to collapse; rats had burrowed in below and eaten the whole of the core, leaving an outer shell of beans which were valueless. It seems extraordinary that the beans should stand in spite of the natural vibration of the building, but such was the case, and the owners not only lost the value of the beans, but had been paying rent for three years.

Death of a Partner in a Firm.

Security may cease to be effectual as cover for further advances by reason of a change in the personality of the borrower.

Should there be a firm with one person only trading in the firm name, it is the duty of the executors to see that the Trust Engagements are carried out, accordingly it is not necessary for the executors to sign any fresh letters. But if a fresh partner is introduced, and he continues to trade in the old name, he should

sign any general lien letter which might be necessary. Should the advances be all taken in one account, it must not be forgotten that it may be necessary to draw a line in the account, in the event of the bank deciding that the liability of the deceased partner's estate should be preserved.

Insolvency or Bankruptcy of Customer.

It will be clear that if the bank's security is a Bill of Lading their position is sound, but how will the bank stand in the case of Warrants, Warehouse-keepers' Receipts, Wharfingers' Certificates and Transfer Orders?

By Clause 44 of the Bankruptcy Act, 1913, property held by the bankrupt on trust for any other person is not divisible amongst his creditors, and where a man holds property as a mere agent or factor, he will be considered to hold it as a trustee, and should he become bankrupt, his principal can claim it, so long as it is distinguishable from the mass of the bankrupt's property.

The various documents of title which are handed back again by the bank to the customer, are held by that customer as agent for and on behalf of the bank and the customer signs the acknowledgment, engaging to hold the documents, or the goods represented thereby, or the proceeds thereof, as trustee on behalf of the bank, and the efficacy of a Trust Letter properly drawn, as a lien over the goods and the proceeds, has never been disputed. In the case of the *North Western Bank* v. *Poynter Sons & Macdonald*, it was held that the bank's security was not invalidated by reason of the fact that the goods had been handed back to the customer for realization on the bank's account. If this is the true position, no question as

to "being in the possession, order or disposition" could arise on the bankruptcy of the customer.

Lord Justice Vaughan Williams, in his work on *Bankruptcy* (6th Ed., 199), states that the dock owner or warehousekeeper must attorn to the holder of the documents. This may be true as regards Warehousekeepers Receipts and Transfer Orders, but not in the case of Transferable Warrants issued by warehousekeepers or wharfingers who, under special Acts of Parliament and in accordance with the terms of the warrant, will not part with the goods except on production of the warrant.

As regards a Delivery or Transfer Order, this should be lodged as soon as possible with the warehousekeeper and the goods claimed, for until this is done the goods remain in the possession, order and disposition of the owner, and should he become bankrupt, the property will vest in his trustee.

Fire Insurance.

The bank should insist on having the fire insurances effected with a substantial company. If a policy of a weak company is tendered, it is a matter for consideration, and the question should be looked at with an eye to the position of the customer.

The statement of the customer that he has effected insurance with such and such company is usually accepted. In some cases the policy is handed to the bank, it is then indorsed with the bankers' clause which reads—

> Indorsement No..... Memo:— £..... (.....) of the insurance by this policy is limited to apply to merchandise only as within described in which the insured and ..... are jointly interested as merchants and brokers or

bankers respectively. Subject separately to the conditions of average.

If, however, at the breaking out of a fire the value of such merchandise be less than the total insurance limited to apply thereto, under this and other specific policies, then the excess insurance shall be deemed to have reverted to the insured in terms as within stated.

In the case of two or more concurrent insurances, the excess insurance which shall revert under this policy shall be in rateable proportion to the total of such concurrent insurances.

Entered in the Office Books this ..... day of

This bankers' clause is used in Liverpool, Manchester and Hull.

Inasmuch as the bankers' clause describes the insurable interest as a " joint " interest, the customer has to join with the bank in making any claim under the policy. This would be inconvenient, if not dangerous, to the bank in the event of the bankruptcy of the customer. Accordingly, when a customer fails it is necessary that the bank should take out a fresh policy in its own name.

In a policy in favour of the banker's customer *only*, there is no privity between the banker and the Insurance Company. In either case, it is essential that the goods should be insured to their full market value, such policies being subject to the *Average Clause.*

Floating policies are used as " a blanket," covering goods on arrival for a night or so; specific policies being taken out as soon as possible. Nearly all firms keep a " floater or two " going, and these are seldom if ever indorsed with the bankers' clause.

Floater premiums are, as a rule, higher than premiums on specific policies, but grain and flour premium is the same on both floaters and specific policies.

General Average.

The term "General Average" (otherwise but not usually called Gross Average) expresses the contribution, which by the Commercial Law of every country in Europe is made by the general body of proprietors of the ship or cargo, towards the loss sustained by any individual of their number, whose property has been sacrificed for the common safety; as where in a storm jettison is made of any goods, or sails or masts are cut away. But to found this obligation, it is essential that the ship should be eventually saved; and that the sacrifice so made should have, in fact, conduced to her preservation, and also that the cargo so jettisoned was laden in a proper manner; for goods stowed upon the deck (unless where a special custom authorizes such stowage) are not the subject of General Average.

The proportion which the value of the property so sacrificed bears to the entire value of the whole ship, cargo and freight, including what has been sacrificed, is first ascertained; and then the property of each owner contributes in the proportion so found. Under the usual maritime policies the underwriters are liable for these payments made by the assured.

A very common clause is "General Average payable according to York-Antwerp Rules, 1890." This refers to a code of rules settled and adopted by a series of International Conferences, including one at York in 1864, Antwerp, 1877, and Liverpool, 1890.

Marine Policies.

The Bill of Lading is full of clauses which exempt the shipowner from responsibility for losses of all kinds. The extent of these varies. Broadly speaking, they exempt the shipowner from liability for accidental marine losses, where there has been no negligence, but often they exempt him from liability, though the losses may have been caused by the negligence of his servants, or contributed to by such negligence. All these losses may be insured against, and persons called underwriters undertake to bear them; the bank should see that any policy held covers all cases in which the shipowner is not liable. The liability of the shipowner is limited by the Merchant Shipping Act, 1862, Section 54, in respect of any one marine casualty to £8 per ton of the ship's registered tonnage where there is no loss of life; and the liability is limited to £15 per ton where liability for loss of life also comes in. The policy may be for a voyage, or for twelve months. It should provide—

1. An indemnity against direct loss or damage of the goods by marine casualties.
2. Indemnity against liability to contribute to General Average or Salvage, or to bear extraordinary expenses for the protection of the particular goods.

Floating policies are taken out to cover a number of shipments of goods, the merchant not knowing, when he takes out the policy, when the goods will be shipped, the quantities, or the ships that will carry the goods. Sometimes the policy will be for a large sum to cover a number of shipments, which, as made, the merchant is bound to declare under the policy. This declaration of the shipment, showing the value of the interest in it, is indorsed on the policy, and

gradually the amount of the policy is exhausted. As a policy of this description cannot be attached to the Bill of Lading, certificates are issued for the specific shipment, and can be used for negotiation in place of the policy. The certificate will refer to the floating policy, will certify that the goods are held insured in accordance with its terms, and will state some of the general features of the policy such as the nature and extent of the voyage, and as to whether partial losses are or are not covered. The certificates generally state that they are to stand in place of the policy, and that the insurance moneys are to be payable to the holders of the certificates.

A certificate given under a duly stamped floating policy made in the United Kingdom does not require a fresh stamp, but a certificate given under a floating policy made abroad, and so not stamped under our Revenue Laws, must be stamped in order to collect a claim in the United Kingdom as a policy within ten days of arrival in the United Kingdom at the rate of 1d. per cent.

The delivery of the policy or certificate to the banker is evidence of an agreement between him and his customer that the banker is to have the benefit of the insurance, and if notice of that agreement is given to the underwriters, the transaction will be binding upon them. They will at their peril pay any moneys which may be due under the policy to anyone but the bankers. The legislature in 1868 further provided that the full legal title to a policy may be assigned so as to enable the transferee to sue upon it in his own name, subject to any defences, which would be available against the transferor.

A VALUED POLICY is one in which the value of the goods is fixed by the policy.

AN UNVALUED POLICY where no agreed valuation is made; the policy merely describes the goods, and states that so much is insured upon them, leaving the value of the goods, or the assured interest in them, to be determined when occasion arises.

APPENDIX I

CASES

Case 1

Inglis v. *Robertson & Baxter* (1898), A.C. 616; 67 L.J.P.C. 108; 79 L.T. 224; 14 T.L.R. 517.

Section 3 of the Factors' Act, 1889, applies only to a pledge by a "mercantile agent" as defined by the Statute; therefore, where the owner of goods in a bonded warehouse indorsed the delivery order to the appellant as security for a loan without notice to the warehousekeeper, held that the appellant's title did not prevail against that of the respondents, the unpaid vendors, who had arrested the goods.

Case 2

Cole & Anor. v. *North Western Bank* (1874); L.R. ix 470.

To constitute a person an "agent intrusted with the possession of goods" within the Factors' Act he must be intrusted with them in the character of such agent, that is, for the purposes of sale. If besides the character of agent he also carries on an independent business as a warehouseman, goods intrusted to him for the purpose of warehousing them are not "intrusted" to him as agent within the meaning of the Act.

Case 3

City Bank v. *Barrow* (1880), L.R. v., 664.

Where there is a power by law to sell a purchaser may obtain from the vendor, even as against the true owner, a good title, but that cannot extend by implication to a pledge.

Case 3a

Portalis v. *Tetley* (1867), L.R. 5 Eq. 140 ; 37 L.J.Ch. 139 ; 16 W.R. 503 ; 17 L.T.N.S. 344.

Where a Mercantile Agent has pledged goods to a pledgee, but not for their full value, the goods so pledged are still within the Mercantile Agent's control, so as to enable him to pledge them for the balance of their value. They were, to quote the words of Page-Wood, V.C., " within his control, being in the possession of another person subject to his control and on his behalf."

Case 3b

Gunn v. *Blockow, Vaughan & Co.* (1875), L.R. 10 Chy., 491.

Wharfinger's certificates are not documents of title, and their delivery passes no right to the goods ; and no custom of trade can give them the effect of warrants or documents of title against the vendors.

Case 4

Hardman v. *Booth* (1863), *Hurlstone & Coltman's Reps.*, Vol. I, 803.

Where goods are delivered to a person who is not in fact authorized to receive them as agent, no property passes, and such unauthorized person is not " intrusted with the possession of goods " within the Factors' Act ; a pledgee of such goods selling under his power of sale will be liable to the true owner for the amount realized by the sale.

Case 5

Fuentes v. *Montis and another* (1868), L.R. 4 C.P. 93.

An agent " entrusted with and in possession of goods or of the documents of title to goods " within the Factors' Act is a person who is entrusted as agent for sale; and consequently one whose authority to sell has been revoked cannot make a valid pledge of goods which had been entrusted to him for sale, but which have been wrongfully retained after his authority has been revoked and the goods demanded from him by his principal.

Case 6

Sewell v. *Burdick* (1884), 10 Ap. Cases, 74.

The mere indorsement and delivery of a Bill of Lading by way of pledge for a loan does not pass " the property in the goods " to the indorsee so as to transfer to him all the liabilities in respect of the goods within the meaning of the Bills of Lading Act (*e.g.*, for the freight).

Case 7

Lickbarrow v. *Mason* (1786), Smith's Leading Cases, 1, 693 (11th Ed.)

The Vendee of goods may by assignment of the Bill of Lading to a *bona-fide* transferee defeat the vendor's right to stop them *in transitu* in case of the vendee's insolvency.

The consignor may stop goods *in transitu* before they get into the hands of the consignee in case of the insolvency of the consignee; but if the consignee assign the Bill of Lading to a third person for valuable consideration, the right of the consignor as against such assignee is divested. There is no distinction between a Bill of Lading indorsed in blank and an indorsement to a particular person.

Case 8

Myerstein v. *Barber* (1866), L.R. 2 C.P. 38; A.C. 4, 317.

A Bill of Lading remains in force until there has been a *complete* delivery of the goods thereunder to a person having a right to receive them, and is not spent or exhausted by the landing and warehousing them at a sufferance wharf—at all events so long as they are under a stop for freight. "There can be no complete delivery of goods under a Bill of Lading until they have come into the hands of some person who has a right to possession under it."

The person who first gets the Bill of Lading (though only one of a set of three) gets the property which it represents, he need not do any act to assert his title, which the Bill of Lading itself renders complete, and any subsequent dealings with the others are subordinate to the rights passed by that one.

Case 9

Glynn v. *East & West India Dock Company* (1882), 7 App. cases, 591.

Where goods were shipped under a Bill of Lading drawn in parts, to be delivered to the consignee "or his assigns, the one of which Bills being accomplished the others to stand void," the master or the warehouseman who has the custody of the goods under the Merchant Shipping Act, 1802, is justified in delivering on production of one part, although there has been a prior indorsement for value to the holder of another part; provided delivery be *bona-fide* and without notice of such prior indorsement.

Case 10

Porteus v. *Watney* (1878), L.R. Q.B.D. 3, 534.

A charterer is liable for demurrage although he is prevented from getting his goods by the delay of other consignees.

Case 11

Wegener v. *Smith* (1854), Common Bench Reps. 15, 285.

The acceptance of a cargo by the indorsee of the Bill of Lading whereby the goods were deliverable to order " against payment of the agreed freight and other conditions as per Charter Party " is a circumstance from which the jury may *imply a contract* on his part to pay demurrage stipulated for by the Charter Party, notwithstanding his *refusal* at the time of receiving the goods to pay the demurrage.

Case 12

Chappel v. *Comfort* (1861), 10 Common Bench (N.S.) 802.

Where cargo was deliverable to the consignee, " he or they paying freight as per Charter Party," and in the margin of the Bill of Lading appeared the words " there are eight working days for unloading " : held, that the consignees by accepting the Bill of Lading incurred no liability for demurrage, although the vessel was detained for four days beyond the time mentioned.

Case 13

Cox, Patterson & Co. v. *Bruce* (1886), 18 Q.B.D., 147.

Where a Bill of Lading contained the following provision " If quality marks are used they are to be of the same size as the leading marks and contiguous thereto, and if such quality marks are inserted in the shipping notes and goods are accepted by the mate, Bills of Lading in conformity therewith shall be signed by the captain, and the ship shall be responsible for the correct delivery of the goods " ; held, on the facts that an indorsee of the Bill of Lad ing without notice of the incorrectness of the description of the marks therein, had no right of action against the shipowner either for breach of contract or upon the ground that they were estopped by the representation in the Bill of Lading.

Case 14

Parsons v. *New Zealand Shipping Company* (1901), 1 Q.B. 548, 17 T.L.R. 274.

Where a shipowner tendered goods to the holder of a Bill of Lading bearing different marks from those appearing in the margin of the Bill of Lading: Held, that Section 3 of the Bills of Lading Act, 1885, did not estop the shipowner from showing that the goods tendered were in fact part of the goods shipped under the Bill of Lading, the difference in the marks affecting merely the identification and not the identity of the goods.

Case 15

Hyman v. *McLintock* (1907), Scotch L.R. xliv, 691.

The transfer of a Bill of Lading constitutes a good security valid against a trustee in bankruptcy; but the claim of the trustee is preferable to that of the holder of store warrants and delivery orders.

Case 16

M'Ewan v. *Smith* (1849), 2 House of Lords Cases, 309.

The giving of a delivery order does not, without some positive act done under it, operate as a constructive delivery of the goods to which it relates, nor deprive the owner of the goods who gave it of his right of lien for their price, even as against the claim of a third party who has *bona-fide* purchased them from the original vendee. Blackburn on *Sale* (p. 302).

Case 17

North Western Bank v. *Poynter, Son & Macdonald* (1895) A.C. 56.

The pledgors of a Bill of Lading representing a specific cargo were under contract to sell a larger quantity of like goods to third parties. The pledgees (the bank) returned the Bill of Lading to the pledgors, to obtain delivery of the merchandise, and sell on the pledgees' behalf, and account for the proceeds towards satisfaction of the debt. It was held that the pledgees' security was not affected, and that they were entitled to the proceeds of the cargo, as against general creditors of the pledgors who had attached them.

In the law of Scotland as in the law of England, a pledgee may re-deliver the goods to the pledgor for a limited purpose without thereby losing his rights under the contract of pledge.

APPENDIX II

FORMS

ADVANCE APPLICATION.

Form A.

Liverpool,.....19..

To the BANK OF X, LIMITED.

Be good enough to inform me/us if the Bank will advance to me/us, and if so on what conditions, £..... against the undermentioned property, the value of which is stated at foot; which advance, if made, I/we engage to repay on or before the.....next.

Fire Insurance on said Property will be duly effected by me/us, the amount of which in the event of loss, will be handed to you.

Advance Account No.....

.....

PARTICULARS OF PROPERTY.

Marks.	Property.	Weight.	Price.	Net Value £	Ship.	Warehouse.

Form B.

BANK OF X, LIMITED,
LIVERPOOL,..... ....19....

To M. .....

I enclose Bill....of Lading for

and I request you to hold the same and the property represented thereby as Trustee... for this Bank, and I direct you to deal with the said property and net proceeds thereof in the following manner;

You are to warehouse the said property in the name of this Bank (save and except such part of the property, if any, as may be sold by you before the same shall have been warehoused) and to hand me in due course Warehouse Receipt for the property so warehoused.

You are to sell the said property (either before or after it has been warehoused in the name of this Bank) as the agent of, and for account of this Bank.

If the said property or any part thereof shall be sold by you before it has been warehoused, you are to pay, specifically and directly to this Bank, the net proceeds thereof, immediately on receipt, to the credit of.... ....account, accompanying each of such payments by a credit note in the enclosed form.

If at any time, or from time to time, after the said property or any part thereof shall have been warehoused in the name of this Bank, you shall be entrusted by this Bank with any delivery order or other document entitling you to the possession or control of the said property, or any part thereof, you are requested to hold such delivery order, or other document, and the property represented thereby, in trust for this Bank and, when any sale of the said property has been effected by you, I request you to pay the net proceeds thereof specifically and directly to this Bank, immediately on receipt, in the same manner as directed above with respect to the proceeds of any property sold before being warehoused.

You are also requested to keep the said property fully covered by Insurance from fire in trust for this Bank and to recover and receive any Marine or Fire Insurance moneys which may become due in respect of the said property and to pay the same specifically and directly to this Bank, immediately on receipt, in like manner as proceeds of sales.

You are also at any time, and from time to time, whilst any of the above-mentioned documents or property remain in your possession or under your control, immediately upon request by this Bank, to return to this Bank such documents or deliver to this Bank or to its nominee such property, against payment to you of any necessary disbursements actually made by you on account thereof.

Your confirmation on the annexed form will oblige,

For the Bank of X, Limited,

.....*Manager.*

For form of credit note see back hereof.

Bank of X, Limited.

.....19....

CREDIT ACCOUNT OF

.....

paid in by.....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES			
GOLD . . { SOVEREIGN . . £ / HALF SOVS. . . £			
SILVER			
CHEQUES ON LIVERPOOL BANKS (ONLY)			
LOCAL NOTES AT 10 DAYS' RISK . .			
BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.			
	£		

.....*proceeds of*.....

Form B.

(COPY.) *BANK OF X, LIMITED,*

LIVERPOOL,.....19....

To M. .....

I enclose Bill....of Lading for

and I request you to hold the same and the property represented thereby as Trustee....for this Bank, and I direct you to deal with the said property and net proceeds thereof in the following manner;

You are to warehouse the said property in the name of this Bank (save and except such part of the property if any, as may be sold by you before the same shall have been warehoused) and to hand me in due course Warehouse Receipt for the property so warehoused.

You are to sell the said property (either before or after it has been warehoused in the name of this Bank) as the agent of, and for account of this Bank.

If the said property or any part thereof shall be sold by you before it has been warehoused, you are to pay, specifically and directly to this Bank, the net proceeds thereof, immediately on receipt, to the credit of ....*account, accompanying each of such payments by a credit note in the enclosed form.*

If at any time, or from time to time, after the said property or any part thereof shall have been warehoused in the name of this Bank, you shall be entrusted by this Bank with any delivery order or other document entitling you to the possession or control of the said property, or any part thereof, you are requested to hold such delivery order, or other document, and the property represented thereby, in trust for this Bank and, when any sale of the said property has been effected by you, I request you to pay the net proceeds thereof specifically and directly to this Bank, immediately on receipt, in the same manner as directed above with respect to the proceeds of any property sold before being warehoused.

You are also requested to keep the said property fully covered by Insurance from fire in trust for this Bank and to recover and receive any Marine or Fire Insurance moneys which may become due in respect of the said property and to pay the same specifically and directly to this Bank, immediately on receipt, in like manner as proceeds of sales.

You are also at any time, and from time to time, whilst any of the above-mentioned documents or property remain in your possession or under your control, immediately upon request by this Bank, to return to this Bank such documents or deliver to this Bank or to its nominee such property, against payment to you of any necessary disbursements actually made by you on account thereof.

Your confirmation on the annexed form will oblige,

For the Bank of X, Limited,

Signed.....*Manager.*

For form of credit note see back hereof.

Liverpool,.....19....

To the Bank of X, Limited.

I/we acknowledge the receipt of your letter to me/us, of which the foregoing is a copy, with the Bill....of Lading and..... ...*of Marine Insurance therein mentioned, and, in consideration of receiving the same, I/we undertake and declare that I/we will deal with the several documents, property, proceeds and Insurance moneys referred to in your said letter in accordance with your directions therein contained.*

6d. ....

(COPY—*Continued.*)

Bank of X, Limited.

....19....

CREDIT ACCOUNT OF

....

paid in by..... .....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES		
GOLD . . { SOVEREIGNS . . £ / HALF SOVS. . . £		
SILVER		
CHEQUES ON LIVERPOOL BANKS (ONLY)		
LOCAL NOTES AT 10 DAYS' RISK . .		
BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.		
	£	

. . ..*proceeds of*.....

B/L. and Insce.

Form C.

BANK OF X, LIMITED,

LIVERPOOL,.....19....

To M.....

I hand to you herewith Bill of Lading for

on the express understanding that you are to hold said Bill of Lading, ...*of Marine Insurance, the property represented thereby, and the net proceeds thereof, respectively, in trust for this Bank ; and on the further understanding*

that you will not part with the said Bill of Lading, or .... *of Marine Insurance or property for any purpose whatever (except in accordance with the customary course of business, for the purpose of obtaining possession of such property and/or warehousing the same and/or delivering the same to the purchaser thereof or enabling him to obtain possession thereof) but will retain the entire control of the said documents and property respectively, and hold the same as Trustee for this Bank, and further that you will pay the net proceeds of all sales and insurances specifically and directly to this Bank, immediately on their receipt, to the credit of*.... .. . . *account, and that you will keep the property fully covered by Insurance from fire in trust for this Bank, and that you will, in the event of loss, recover, receive, and apply the Insurance money in like manner as proceeds of sales ;*

and further that you will at any time upon the request of this Bank return to it the said Bill of Lading and..... ....*of Marine Insurance, or deliver to this Bank, or to its nominee, the said property or such portion thereof as shall remain unsold, against repayment of any necessary disbursements actually made by you on account thereof ;*

and further that if all or any part of the property represented by the said Bill of Lading, and... .. . . *of Marine Insurance shall, under instructions from this Bank or otherwise, be obtained by you, and warehoused in the name of this Bank, pending sale and delivery to a purchaser, the conditions and directions herein contained and your acknowledgment and undertaking on the form annexed shall apply to all such delivery orders or other documents relating to the property so warehoused as shall be received by you from this Bank and to the property represented thereby and to the net proceeds of all sales thereof ;*

and I hereby direct you to pay the net proceeds of all sales and marine and fire insurances of the said property specifically and directly to this Bank, immediately on their receipt, to the credit of the said account, accompanying each payment by a Credit Note in the enclosed form. (*Copy of form on back hereof.*)

For the Bank of X, Limited,

....*Manager.*

Please acknowledge receipt hereof on the form annexed.

Bank of X, Limited.

.....19....

CREDIT ACCOUNT OF

.....

paid in by.....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES .....

GOLD . . { SOVEREIGNS . . £ / HALF SOVS. . . £

SILVER . . . . . .

CHEQUES ON LIVERPOOL BANKS (ONLY)

LOCAL NOTES AT 10 DAYS' RISK . .

BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.

£

.....*proceeds of*.....

(COPY.) **Form C.**

BANK OF X, LIMITED,

LIVERPOOL,..... ..... 19....

To M.....

I hand to you herewith Bill of Lading for

on the express understanding that you are to hold said Bill of Lading, ...*of Marine Insurance, the property represented thereby, and the net proceeds thereof, respectively, in trust for this Bank; and on the further understanding that you will not part with the said Bill of Lading, or*..... *of Marine Insurance or property for any purpose whatever (except in accordance with the customary course of business, for the purpose of obtaining possession of such property and/or warehousing the same and/or delivering the same to the purchaser thereof or enabling him to obtain possession thereof) but will retain the entire control of the said documents and property respectively, and hold the same as Trustee for this Bank, and further that you will pay the net proceeds of all sales and insurances specifically and directly to this Bank, immediately on their receipt, to the credit of*..... ..... *account, and that you will keep the property fully covered by Insurance from fire in trust for this Bank, and that you will, in the event of loss, recover, receive, and apply the Insurance money in like manner as proceeds of sales;*

and further that you will at any time upon the request of this Bank return to it the said Bill of Lading and..... ..... *of Marine Insurance, or deliver to this Bank, or to its nominee, the said property or such portion thereof as shall remain unsold, against repayment of any necessary disbursements actually made by you on account thereof;*

and further that if all or any part of the property represented by the said Bill of Lading, and..... ..... *of Marine Insurance shall, under instructions from this Bank or otherwise, be obtained by you, and warehoused in the name of this Bank, pending sale and delivery to a purchaser, the conditions and directions herein contained and your acknowledgment and undertaking on the form annexed shall apply to all such delivery orders or other documents relating to the property so warehoused as shall be received by you from this Bank and to the property represented thereby and to the net proceeds of all sales thereof;*

and I hereby direct you to pay the net proceeds of all sales and marine and fire insurances of the said property specifically and directly to this Bank, immediately on their receipt, to the credit of the said account, accompanying each payment by a Credit Note in the enclosed form. (*Copy of form on back hereof.*)

For the Bank of X, Limited,

....*Manager.*

Liverpool,..... 19....

To the Bank of X, Limited,

I/we acknowledge the receipt of your letter to me/us of which the foregoing is a copy, with the Bill of Lading and..... *of Marine Insurance therein mentioned and, in consideration of receiving the same, I/we undertake and declare that I/we will deal with the several documents, property, proceeds and Insurance moneys referred to in your said letter in accordance with your directions therein contained.*

Sixpenny Stamp.

(COPY—*Continued.*)

Bank of X, Limited.

.....19....

CREDIT ACCOUNT OF

.....

paid in by.....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES			
GOLD . . { SOVEREIGNS . . £ / HALF SOVS. . . £			
SILVER			
CHEQUES ON LIVERPOOL BANKS (ONLY)			
LOCAL NOTES AT 10 DAYS' RISK . .			
BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.			
	£		

.....*proceeds of*.....

Form D.

LIVERPOOL,..... ..19..

To the Bank of X, Limited.

Referring to my/our letter of engagement to you of.....I/we beg to inform you that I/we have sold to.....

Bales Cotton.	Ship.	Street.
.....		
.....		
.....		
.....		
.....		

warehoused with.....

in your name and appertaining to my/our.....A/c. No.....being part of the property referred to in my/our said letter.

I/We request you to give me/us Delivery Order for the same.

The net proceeds I/we estimate at about £..... which are due.....and will be specifically paid to you by me/us as received in terms of said letter.

.....

Received Delivery Order for the above-mentioned Cotton.

.....

Form E.

Bank of X, Limited.

.....19....

Messrs.....

LIVERPOOL.

Please deliver to

.....

the undermentioned Cotton, on payment of all rent and charges.

Per pro **BANK OF X, LIMITED.**

Manager.

Marks.	Bales Cotton.	Ship.	Street.
Total		**Say**.....	

Fol. ..... No. .....

NOT EXCEEDING: .....

To be filled in by Warehouse Keeper.

[COPYRIGHT.]

DELIVERY ORDER.

Form F.

UNITED WAREHOUSE KEEPERS' FORM A.

NO ALTERATION OR ERASURE MUST BE MADE ON THIS ORDER.

This Order will entitle the Holder to actual delivery of the undermentioned goods. It will not entitle the Holder to have all or any part of the goods transferred to his name in the Warehouse Keeper's books.

The Warehouse Keeper is responsible, subject to his lien for rent and charges and to his ordinary conditions, for the number of packages only, and not for other specified particulars.

Address.....

Date.....19....

To Messrs.....

PLEASE ALLOW DELIVERY to.....or bearer of the undermentioned goods lying in your Warehouse.....Street.

.....RENT AND CHARGES TO.....19....

PARTICULARS.	DESCRIPTION.	EX.	LOT NO.	REFERENCE No.

If space insufficient, write above "P.T.O." and insert and sign particulars at back.

Signature.....

MEMO.—Subject to the Warehouse Keeper's rent and charges being paid or provided for this Order may be revoked by notice in writing (by the person in whose name the goods stand warehoused) presented at the Warehouse Keeper's Head office for indorsement and then delivered to the licensed warehouseman in charge of the warehouse in which the goods are deposited before the goods have been delivered. On delivery of such notice this Order shall become void and of no effect as regards the whole or any part of the goods not then delivered.

Particulars.		DESCRIPTION.	Ex.	Lot No.	Reference No.

Signature.....

[COPYRIGHT.] **TRANSFER ORDER.** **Form G.**

UNITED WAREHOUSE KEEPERS' FORM B.

NO ALTERATION OR ERASURE MUST BE MADE ON THIS ORDER.

On its acceptance by the Warehouse Keeper this Order will entitle the Transferee to Registration of his ownership of the Goods in the books of the Warehouse Keeper, who by accepting this Order makes himself responsible, subject to his lien for rent and charges and to his ordinary conditions, for the number of packages only, and not for other specified particulars.

Address .....

Date.....19....

To Messrs.....

PLEASE TRANSFER to Messrs.....the

undermentioned Goods lying in your Warehouse.....Street.

.....RENT AND CHARGES TO.....19....

PARTICULARS.	DESCRIPTION.	EX.	LOT NO.	REFERENCE No.

If space insufficient, write above "P.T.O." and insert and sign particulars at back.

Signature.....

Particulars.		DESCRIPTION.	Ex.	Lot No.	Reference No.

Signature.....

Form J.

ADVANCE. *BANK OF X, LIMITED,*

LIVERPOOL,.....19..

To M.....

I now beg to put in writing the conditions on which this Bank has advanced or agreed to advance to you the sum of £.....repayable by you on or before.....next, on the security of the undermentioned Property, which you pledged to this Bank, and for which this Bank now holds Warehouse Receipts or Warrants.

This Bank is to have immediate and absolute power of sale, and, under that power, I authorize you to sell the said property on behalf of this Bank in the customary course of business, and if at any time, or from time to time, you shall be entrusted by this Bank with any delivery order or other document entitling you to the possession or control of the said property, or any part thereof, you are to hold such delivery order or other document and the property represented thereby in trust for this Bank and, when any sale of the said property has been effected by you, I direct you to pay the net proceeds thereof specifically and directly to this Bank, immediately on receipt, to the credit of your..... .....account.

You are at any time, at the request of this Bank, to give to this Bank particulars of any sales of the said property made by you, and to give to this Bank full authority to receive all sums due, or to become due, from any person or persons in respect of any such sales.

Until the whole of the said advance shall have been repaid, the said property, or such part thereof as shall remain in the possession or under the control of this Bank, shall at all times represent a market value equal to at least 10 per cent. over and above the amount due for the time being to this Bank in respect of the said advance, and if at any time, or from time to time, such property shall represent less than the value aforesaid you are, immediately upon demand by this Bank, to pay or transfer to this Bank cash or property sufficient to make up such value.

You are to keep the said property fully covered by insurance from Fire, in trust for this Bank, and, in the event of loss, to recover and receive the insurance money and to pay the same specifically and directly to this Bank, immediately on receipt, in like manner as proceeds of sales.

You are also at any time, and from time to time, whilst any such delivery order or other document as aforesaid, or any property represented thereby, shall remain in your possession or under your control, immediately upon request by this Bank, to return to this Bank such delivery order or other document, or deliver to this Bank or its nominee such property.

The above conditions and directions are also to apply to any Property which, with the consent of this Bank, may, from time to time, be substituted as security to this Bank for all or any of the under-mentioned Property, and to any delivery order or other document relating thereto and to all insurance money payable in respect thereof.

For the Bank of X, Limited,

.....*Manager.*

PARTICULARS OF PROPERTY.

Marks.	Property.	Weight.	Price.	Net Value. £	Ship.	Warehouse.

PARTICULARS OF PROPERTY.

Marks.	Property.	Weight.	Price.	Net Value.	Ship.	Warehouse.
				£		

(COPY.)

ADVANCE. *BANK OF X, LIMITED,*

LIVERPOOL,... .....19..

To M .....

I now beg to put in writing the conditions on which this Bank has advanced or agreed to advance to you the sum of £.....repayable by you on or before... .....next, on the security of the undermentioned Property, which you pledged to this Bank, and for which this Bank now holds Warehouse Receipts or Warrants.

This Bank is to have immediate and absolute power of sale, and, under that power, I authorise you to sell the said property on behalf of this Bank in the customary course of business, and if at any time, or from time to time, you shall be entrusted by this Bank with any delivery order or other document entitling you to the possession or control of the said property, or any part thereof, you are to hold such delivery order or other document and the property represented thereby in trust for this Bank and, when any sale of the said property has been effected by you, I direct you to pay the net proceeds thereof specifically and directly to this Bank, immediately on receipt, to the credit of your..... .....account.

You are at any time, at the request of this Bank, to give to this Bank particulars of any sales of the said property made by you, and to give to this Bank full authority to receive all sums due, or to become due, from any person or persons in respect of any such sales.

Until the whole of the said advance shall have been repaid, the said property, or such part thereof as shall remain in the possession or under the control of this Bank, shall at all times represent a market value equal to at least 10 per cent. over and above the amount due for the time being to this Bank in respect of the said advance, and if at any time, or from time to time, such property shall represent less than the value aforesaid you are, immediately upon demand by this Bank, to pay or transfer to this Bank cash or property sufficient to make up such value.

You are to keep the said property fully covered by insurance from Fire, in trust for this Bank, and, in the event of loss, to recover and receive the insurance money and to pay the same specifically and directly to this Bank, immediately on receipt, in like manner as proceeds of sales.

You are also at any time, and from time to time, whilst any such delivery order or other document as aforesaid, or any property represented thereby, shall remain in your possession or under your control, immediately upon request by this Bank, to return to this Bank such delivery order or other document, or deliver to this Bank or its nominee such property.

The above conditions and directions are also to apply to any Property which, with the consent of this Bank, may, from time to time, be substituted as security to this Bank for all or any of the under-mentioned Property, and to any delivery order or other document relating thereto and to all insurance money payable in respect thereof.

For the Bank of X, Limited,

(Signed).. .....Manager.

PARTICULARS OF PROPERTY.

Marks.	Property.	Weight.	Price.	Net Value.	Ship.	Warehouse.
				£		

Liverpool,..... 19....

To the Bank of X, Limited,

I/we have received your letter of which the above is a copy. It correctly details the conditions on which you made the advance referred to, and I/we hereby undertake to carry out your directions.

The Property therein specified is insured on your behalf against all Fire risks in the .....

and the Policy held by me/us in terms of your said letter.

I/we estimate that, after deduction of all charges, the value of the above property at to-day's prices is £.....

Yours faithfully,

Sixpenny Stamp.

PARTICULARS OF PROPERTY.

Marks.	Property.	Weight.	Price.	Net Value.	Ship.	Warehouse.
				£		

Form K.

Bank of X, Limited.

.....19....

Messrs.....

Liverpool.

Dear Sirs,

Please take delivery of the Merchandise described in the enclosed Bill of Lading, as per particulars below, warehouse it in the Bank's name, and forward your usual receipt to us in due course.

All charges to be claimed from Messrs.....

Yours faithfully,

Manager.

Marks and Particulars.	Property.	Ship or Line.	Arrived per

(COPY.)

B/L—W'housekeeper.

Bank of X, Limited.

..19..

Messrs...

Liverpool.

Dear Sirs,

Please take delivery of the Merchandise described in the enclosed Bill of Lading, as per particulars below, warehouse it in the Bank's name, and forward your usual receipt to us in due course.

All charges to be claimed from Messrs.....

Yours faithfully,

Manager.

Marks and Particulars.	Property.	Ship or Line.	Arrived per

Liverpool,.....19....

To BANK OF X, LIMITED,
LIVERPOOL.

We acknowledge receipt of Bill of Lading accompanying your letter, of which the foregoing is a copy, and we undertake to act in conformity with the directions which that letter contains.

D/O and Insce.

Form L.

Bank of X, Limited.

Liverpool,..... 19

To M.....

Liverpool.

I enclose Delivery Order for.....

Until further instructions from this Bank you are requested to hold the property represented by the said Delivery Order as Trustee for this Bank, and to realize the same for account of this Bank and pay the net proceeds, immediately on receipt thereof, specifically and directly to this Bank to the credit of.....
.....*account, accompanying each of such payments by a credit note in the enclosed form.*

You are further requested to keep the property fully covered by Insurance from fire in trust for this Bank and, in the event of Loss, to recover, receive and apply the Insurance money in like manner as proceeds of sales.

Your confirmation on the annexed form will oblige,

For the Bank of X, Limited,

.....*Manager.*

For form of credit note see back hereof.

Bank of X, Limited.

.....19....

CREDIT ACCOUNT OF

.....

paid in by.....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES .....

GOLD . . { SOVEREIGN . . £ / HALF SOVS. . . £

SILVER . . . . . .

CHEQUES ON LIVERPOOL BANKS (ONLY)

LOCAL NOTES AT 10 DAYS' RISK . .

BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.

£

.....*proceeds of*.....

(COPY.)

Bank of X, Limited.

Liverpool,..... .....19..

To M.....

Liverpool.

I enclose Delivery Order for.....

Until further instructions from this Bank you are requested to hold the property represented by the said Delivery Order as Trustee for this Bank, and to realize the same for account of this Bank and pay the net proceeds, immediately on receipt thereof, specifically and directly to this Bank to the credit of.....
.....*account, accompanying each of such payments by a credit note in the enclosed form.*

You are further requested to keep the property fully covered by Insurance from fire in trust for this Bank and, in the event of Loss, to recover, receive and apply the Insurance money in like manner as proceeds of sales.

Your confirmation on the annexed form will oblige.

For the Bank of X, Limited,

(*Signed*).....*Manager.*

For form of credit note see back hereof.

Liverpool,.....19....

To the Bank of X, Limited.

I/we acknowledge the receipt of your letter to me/us, of which the foregoing is a copy, and also the delivery order therein mentioned and, in consideration of receiving the same, I/we undertake to carry out the terms of your said letter, and I/we expressly declare by this Instrument in writing that I/we will hold the said delivery order and the property represented thereby, and the net proceeds thereof respectively, and of all Insurances thereof, in trust for you, and that I/we will pay the said net proceeds specifically and directly to you immediately on receipt thereof by me/us.

6*d.*
Stamp.

(COPY—*Continued.*)

Bank of X, Limited.

.....19....

CREDIT ACCOUNT OF

.....

paid in by.....*Broker*

against.....*letter of*..... 19....

BANK OF ENGLAND NOTES			
GOLD . . { SOVEREIGN . . £ / HALF SOVS. . . £			
SILVER			
CHEQUES ON LIVERPOOL BANKS (ONLY)			
LOCAL NOTES AT 10 DAYS' RISK . .			
BILLS, AND CHEQUES ON ALL OTHER PLACES THAN LIVERPOOL.			
	£		

.....*proceeds of*.....

Form M.

Liverpool,.....19....

To THE BANK OF X, LIMITED.

* *Please insert the date of the Bank's original letter of instructions.*

Referring to your letter of.....relating to the advance No.....of £.....made by you to me/us, I/we shall be obliged if in lieu of..... (particularized at foot hereof) being.....of the property referred to in your said letter, you will allow me/us to substitute the following property, viz.,.....*

.....

(also particularized at foot hereof) which is transferred to you as per warehouse receipts and/or warrants herewith.

I/we hereby undertake to carry out in respect of the said substituted property the directions contained in your said letter, as if the said substituted property were therein specifically described.

The said substituted property is fully insured on your behalf against all fire risks in the..... and the policy is held by me/us in terms of your said letter.

I/we estimate that, after deduction of all charges, the value of the said substituted property at to-day's prices is £.....

Yours faithfully,

PROPERTY WITHDRAWN.				PROPERTY SUBSTITUTED.			
Date.	Marks.	Property.	Ship.	Marks.	Property.	Ship.	Warehouse.

BANK'S ACCEPTANCE DEPARTMENT.

Form N.

MEMORANDUM.

From

The Bank of X, Limited.

.....*19*

To

.....

.....

DRAFTS LEFT FOR ACCEPTANCE WITH DOCUMENTS ATTACHED.

Drawn by.....£.....

.....

.....

.....

.....

.....

.....

Please call and inspect the documents and instruct the Bank AT ONCE, so that the Bill, if in order, may be accepted without delay.

Form 0. *LIVERPOOL,*.....**19**....

To THE BANK OF X, LIMITED,
LIVERPOOL.

Sirs,

Please accept to debit of my/our.....account the undernoted drafts upon you, on surrender of documents purporting to be as specified below, over which and the property thereby represented I/we hereby give you power of sale in such manner and at such time or times as you may think fit.

The net value of the property at to-day's price I/we estimate to be about £..... after deducting freight and all charges. In the event of any fall in the value I/we engage from time to time forthwith to deposit with you cash or security to your approval equivalent to the amount of such fall.

I/we further engage to provide you with cash funds to meet the drafts at or before maturity.

Yours faithfully,

6d.
STAMP.

DRAFTS.			Particulars of Documents.	PROPERTY.				Liverpool classification of the said Cotton.	To-day's Liverpool quotation for such classification.
Drawn by.	Tenor.	Amount.		Marks.		Ship or Line.	Amount of Insurance.		

Form P.

LIVERPOOL,.....19....

To THE BANK OF X, LIMITED.

Gentlemen,

In consideration of your granting to me/us such facilities in conducting my/our account with you whether in the form of cash advances the discounting of Bills the accepting of Bills or the giving of guarantees by the Bank or in any other form as I/we may from time to time require and you may think fit to grant I/we hereby declare and agree that all property and securities which you now hold or which you shall or may from time to time receive from me/us or on my/our account whether in the form of Bills of Lading or other documents of title for cotton or other produce warehoused or stored in your name or on your account or stocks shares or securities or in any other form shall from time to time be held by you as security for the payment to you on demand of the balance for the time being of my/our account with you and also for the due payment and discharge of all other obligations and liabilities to you matured and unmatured to which I/we shall for the time being be subject either alone or jointly with any other person or persons.

You are at all times and from time to time to have full power of sale over all such property and securities as aforesaid and I/we hereby undertake and agree whenever so required by you at my/our own cost at all times and from time to time to do all such acts and things as shall be necessary or as you shall deem expedient for the purpose of enabling you to effect and carry out any sale of such property and securities and receive the proceeds thereof.

And I/we also undertake and agree from time to time whenever so required by you to supply additional margin either by payment of cash or the deposit or transfer of additional property or securities to such an amount or value as you shall require.

And I/we further engage at all times and from time to time to keep fully covered by marine or fire insurance on your behalf all the property for the time being constituting this security and capable of being insured and to hold the policies of insurance in trust for you and to recover and receive on your behalf and in trust for you the net proceeds of all such insurances and pay the same to you as and when received or if and whenever required by you so to do to deliver all such policies as aforesaid to you and do all such acts and things as you shall require for the purpose of enabling you to recover and receive the monies thereby assured.

Yours faithfully,

6d.
Stamp.

Form B.

BILL OF LADING SIGNATURE CERTIFICATE NO.....

GULF TEXAS & WESTERN RY. CO.

Hereby Certifies—

That.....is its regularly appointed

.....Agent at.....and as such is authorized

to sign Bills of Lading in accordance with the regulations of this Company, and that

the signature on the attached order notify bill of lading No.....

dated..... covering.....

PLACE OF ISSUE * No. of Bales of Cotton	DATE Marks	is his signature.
.....	.....	Issued....., 19....
.....	.....	(Signed).....
.....	.....	(Title).....

*The Number of Bales Must be Written in Full.

INDEX

Printed in Bath, England, by Sir Isaac Pitman & Sons, Ltd.
x—(1819)

PITMAN'S
BUSINESS HANDBOOKS

AN ABRIDGED LIST OF PRACTICAL GUIDES FOR :: BUSINESS MEN AND ADVANCED STUDENTS ::

The Prices contained in this book apply only to Great Britain.

COMPLETE LIST OF COMMERCIAL BOOKS POST FREE ON APPLICATION

BOOK-KEEPING AND ACCOUNTS

ADVANCED ACCOUNTS. A Manual of Advanced Book-keeping and Accountancy for Accountants, Book-keepers, and Business Men. Edited by ROGER N. CARTER, M.Com., F.C.A., *Lecturer on Accounting at the University of Manchester.* In demy 8vo, cloth gilt, 1058 pp. **7s. 6d.** net.

KEY TO ADVANCED ACCOUNTS. By R. A. GOODMAN. In demy 8vo, cloth, 954 pp. **20s.**

AUDITING, ACCOUNTING, AND BANKING. By FRANK DOWLER, A.C.A., and E. MARDINOR HARRIS, *Associate of the Institute of Bankers.* In demy 8vo, cloth gilt, 328 pp. **7s. 6d.** net.

THE PRINCIPLES OF AUDITING. A Practical Manual for Advanced Students and Practitioners. By F. R. M. DE PAULA, F.C.A. In demy 8vo, cloth gilt, 224 pp. **7s. 6d.** net.

ACCOUNTANCY. By F. W. PIXLEY, F.C.A., *Barrister-at-Law.* Third Edition. In demy 8vo, cloth gilt, 318 pp. **7s. 6d.** net.

AUDITORS: THEIR DUTIES AND RESPONSIBILITIES. By the same Author. Twelfth Edition. In demy 8vo, cloth gilt, 732 pp. **21s.** net.

AUDITING. By W. H. BELL, M.C.S., C.P.A. In demy 8vo, cloth gilt, 534 pp. **21s.** net.

COST ACCOUNTING. By W. B. LAWRENCE, *Professor of Accounting, De Paul University.* In demy 8vo, cloth gilt, 543 pp. **21s.** net.

COST ACCOUNTING: ITS HIGHER ORGANIZATION AND CONTROL. By W. AINSWORTH, A.C.I.S., A.C.W.A. In demy 8vo, cloth gilt, 103 pp. **5s.** net.

COST ACCOUNTS IN PRINCIPLE AND PRACTICE. By A. CLIFFORD RIDGWAY, F.C.A. In demy 8vo, cloth gilt, with 40 specially prepared forms. **5s.** net.

COST ACCOUNTS FOR THE METAL INDUSTRY. By H. E. PARKES, M.Com., A.C.W.A. In demy 8vo, cloth gilt, 156 pp. **10s. 6d.** net.

PRIMER OF COSTING. By R. J. H. RYALL, F.C.W.A. In demy 8vo, cloth, 125 pp. **5s.** net.

DICTIONARY OF COSTING. By the same Author. In demy 8vo, cloth gilt. **10s. 6d.** net.

THEORY AND PRACTICE OF COSTING. By E. W. NEWMAN, A.C.A. In demy 8vo, cloth gilt, 203 pp. **8s. 6d.** net.

COSTING AND PRICE-FIXING. By J. M. SCOTT MAXWELL, B.Sc. In demy 8vo, cloth gilt, 223 pp. **6s.** net.

COSTING ORGANIZATION FOR ENGINEERS. By E. W. WORKMAN, B.Sc., A.L.A.A. In demy 8vo, cloth, 96 pp. **3s. 6d.** net.

MANUAL OF COST ACCOUNTS. By JULIUS LUNT, F.C.A. (Hons.). Third Edition. In demy 8vo, cloth gilt, 204 pp. **7s. 6d.** net.

MANUFACTURING BOOK-KEEPING AND COSTS. By GEORGE JOHNSON, F.C.I.S. In demy 8vo, cloth gilt, 120 pp. **3s. 6d.** net.

COMPANY ACCOUNTS. By ARTHUR COLES, F.C.I.S. Third Edition. In demy 8vo, clothgilt, 440 pp. **7s. 6d.** net.

DICTIONARY OF BOOK-KEEPING. By R. J. PORTERS. Second Edition. In demy 8vo, 780 pp. **7s. 6d.** net.

THE BOOK-KEEPER'S VADE MECUM. By S. HOWARD WITHEY, F.C.I., A.L.A.A. A pocket companion for the book-keeper. In crown 8vo, 150 pp. **3s. 6d.** net.

THE ACCOUNTANT'S DICTIONARY. Edited by F. W. PIXLEY, F.C.A., *Barrister-at-Law.* Assisted by about 30 specialist contributors. This important work places at the disposal of the practitioner a great store of information on all phases of accountancy, arranged in the most convenient form. Second Edition. In two vols., crown 4to, cloth gilt, 1017 pp. **£3 3s.** net.

MANUAL OF BOOK-KEEPING AND ACCOUNTANCY. By A. NIXON F.C.A., F.C.I.S., and H. E. EVANS, A.C.A. In demy 8vo, cloth gilt, 330 pp. **10s. 6d.** net.

BOOK-KEEPING AND ACCOUNTS. By E. E. SPICER, F.C.A., and E. C. PEGLER, F.C.A. In crown 4to, cloth gilt, 466 pp. **20s.** net.

THE ACCOUNTS OF EXECUTORS, ADMINISTRATORS, AND TRUSTEES. By WILLIAM B. PHILLIPS, F.C.A., A.C.I.S. Sixth Edition, Revised in accordance with the provisions of the Administration of Estates Act, 1925, and the Trustees Act, 1925. In demy 8vo, cloth gilt, 150 pp. **5s.** net.

APPORTIONMENT IN RELATION TO TRUST ACCOUNTS. By ALAN F. CHICK, *Incorporated Accountant.* In demy 8vo, cloth, 160 pp. **6s.** net.

BUSINESS BALANCE SHEETS. By F. R. STEAD. In demy 8vo, cloth gilt, 160 pp. **10s. 6d.** net.

PRACTICAL BOOK-KEEPING. By GEO. JOHNSON, F.C.I.S. In crown 8vo, cloth, 420 pp. **6s.** net.

MODERN METHODS OF BOOK-KEEPING. By R. H. EPPS, A.C.A. In demy 8vo, cloth, 343 pp. **4s.** net.

A COURSE IN BOOK-KEEPING. By R. W. HOLLAND, M.A., M.Sc., LL.D. In demy 8vo, cloth, 290 pp. **4s.** net.

RAILROAD ACCOUNTS AND STATISTICS. By C. E. WERMUTH. Size 6 in. by 9 in., 362 pp. **17s. 6d.** net.

RAILWAY ACCOUNTS AND FINANCE. Railway Companies (Accounts and Returns) Act, 1911. By ALLEN E. NEWHOOK, A.K.C. In demy 8vo, cloth gilt, 148 pp. **5s.** net.

DEPRECIATION AND WASTING ASSETS, and Their Treatment in Computing Annual Profit and Loss. By P. D. LEAKE, F.C.A. Fourth Edition. In demy 8vo, cloth gilt, 257 pp. **15s.** net.

COMMERCIAL GOODWILL. Its History, Value, and Treatment in Accounts. By the same Author. In demy 8vo, cloth gilt, 260 pp. **21s.** net.

SINKING FUNDS, RESERVE FUNDS, AND DEPRECIATION. By J. H. BURTON, A.S.A.A. In demy 8vo, cloth, 99 pp. **3s. 6d.** net.

ACCOUNTING. By S. S. DAWSON, F.C.A., and R. C. DE ZOUCHE, F.C.A. In demy 8vo, cloth gilt, 290 pp. **10s. 6d.** net.

CONSIGNMENTS, ACCOUNT SALES, AND ACCOUNTS CURRENT. By E. J. HAMMOND, A.C.I.S., A.L.A.A. In demy 8vo, cloth, 160 pp. **5s.** net.

BRANCH ACCOUNTS. By P. TAGGART, A.S.A.A. In demy 8vo, 87 pp. **3s.** net.

BUILDERS' ACCOUNTS AND COSTS. By ROBERT C. LEGGE, F.C.W.A. In demy 8vo, cloth gilt, 130 pp. **3s. 6d.** net.

HOSPITAL ACCOUNTS AND FINANCIAL CONTROL. By J. E. STONE, A.S.A.A. In crown 4to, cloth gilt, 160 pp. **21s.** net.

BUSINESS TRAINING, ETC.

LECTURES ON BRITISH COMMERCE, including Finance, Insurance, Business, and Industry. With a Preface by the HON. W. PEMBER REEVES. In demy 8vo, cloth gilt, 295 pp. **7s. 6d.** net.

THE THEORY AND PRACTICE OF COMMERCE. Being a Complete Guide to Methods and Machinery of Business. Edited by F. HEELIS, F.C.I.S., assisted by Specialist Contributors. In demy 8vo, cloth gilt, 620 pp., with many facsimile forms. **7s. 6d.** net.

THE PRINCIPLES AND PRACTICE OF COMMERCE. By JAMES STEPHENSON, M.A., M.Com., D.Sc. In demy 8vo, cloth gilt, 650 pp., with many facsimile forms. **8s. 6d.** net.

THE PRINCIPLES AND PRACTICE OF COMMERCIAL CORRESPONDENCE. By the same Author. In demy 8vo, 320 pp. **7s. 6d.** net.

THE PRINCIPLES OF COMMERCIAL HISTORY. By the same Author. In demy 8vo, 279 pp. **7s. 6d.** net.

THE PRINCIPLES AND PRACTICE OF COMMERCIAL ARITHMETIC. By P. W. NORRIS, M.A., B.Sc. (Hons.). In demy 8vo, 452 pp. **7s. 6d.** net.

MODERN BUSINESS AND ITS METHODS. A Manual of Business Organization, Management, and Office Procedure for Commercial Students and Business Men. By W. CAMPBELL, *Chartered Secretary*. In crown 8vo, cloth, 493 pp. **7s. 6d.** net.

THE PRINCIPLES OF BUSINESS. By C. W. GERSTENBERG. Third Edition. Size 5¼ in. by 8 in., cloth, 821 pp. **16s.** net.

SHORT STORY WRITING AND FREE-LANCE JOURNALISM. By S. A. MOSELEY. In demy 8vo, cloth gilt, 247 pp. **7s. 6d.** net.

INSURANCE

THE PRINCIPLES OF INSURANCE AND THEIR APPLICATION. By J. ALFRED EKE. In demy 8vo, cloth, 186 pp. **5s.** net.

INSURANCE. A Practical Exposition for the Student and Business Man. By T. E. YOUNG, B.A., F.R.A.S. With a Practical Section on Workmen's Compensation Insurance, by W. R. STRONG, F.I.A., and the National Insurance Scheme, by VYVYAN MARR, F.F.A., F.I.A. Third Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 440 pp. **10s. 6d.** net.

INSURANCE OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS. By T. E. YOUNG, B.A., F.R.A.S., and RICHARD MASTERS, A.C.A. Second Edition, Revised. In demy 8vo, cloth gilt, 150 pp. **6s.** net.

INSURANCE PRINCIPLES AND PRACTICES. By R. RIEGEL and H. J. LOMAN. Size 6 in. by 9 in., cloth, 450 pp. **16s.** net.

THE PRINCIPLES OF COMPOUND INTEREST. By H. M. EDWARDS, F.I.A. In demy 8vo, cloth gilt, 135 pp. **5s.** net.

THE ELEMENTS OF ACTUARIAL SCIENCE. By R. E. UNDERWOOD, M.B.E., F.I.A. Second Edition. In crown 8vo, cloth, 148 pp. **5s.** net.

THE PRINCIPLES AND PRACTICE OF FIRE INSURANCE. By FRANK GODWIN. Second Edition. In demy 8vo, cloth gilt, 142 pp. **5s.** net.

THE COMMON HAZARDS OF FIRE INSURANCE. By W. G. KUBLER RIDLEY, F.C.I.I. Second Edition. In demy 8vo, cloth gilt, 92 pp. **5s.** net.

FIRE POLICY DRAFTING AND ENDORSEMENTS. By W. C. H. DARLEY, *of the Northern Assurance Co., Ltd.* In demy 8vo, cloth gilt, 204 pp. **7s. 6d.** net.

THE LAW AND PRACTICE AS TO FIDELITY GUARANTEES. By C. EVANS, *Barrister-at-Law*; and F. H. JONES. Second Edition. In demy 8vo, cloth gilt, 172 pp. **6s.** net.

INSURANCE OF PUBLIC LIABILITY RISKS. By S. V. KIRKPATRICK, F.C.I.I. In demy 8vo, cloth gilt, 152 pp. **5s.** net.

BURGLARY RISKS.—By E. H. GROUT, B.Sc., A.C.I.I. In demy 8vo, cloth gilt, 326 pp. **10s. 6d.** net.

WORKMEN'S COMPENSATION INSURANCE. By C. E. GOLDING, LL.B., F.C.I.I. In demy 8vo, cloth gilt, 112 pp. **5s.** net.

MOTOR INSURANCE. By W. F. TODD. In demy 8vo, cloth gilt, 176 pp. **6s.** net.

GUIDE TO MARINE INSURANCE. By H. KEATE. Sixth Edition. In crown 8vo, cloth, 203 pp. **8s. 6d.** net.

GUIDE TO LIFE ASSURANCE. By S. G. LEIGH, *Fellow of the Institute of Actuaries.* A Handbook of the Practical and Scientific Aspects of the Business. In crown 8vo, cloth, 192 pp. **5s.** net.

LIFE ASSURANCE FROM PROPOSAL TO POLICY. By H. HOSKING TAYLER, F.I.A., A.C.I.I., and V. W. TYLER, F.I.A. In demy 8vo, cloth gilt. **6s.** net.

THE PRINCIPLES AND PRACTICE OF PERSONAL ACCIDENT, DISEASE, AND SICKNESS INSURANCE. By J. B. WELSON, LL.M. In demy 8vo, cloth gilt, 133 pp. **5s.** net.

PHYSIOLOGY AND ANATOMY. By H. GARDINER, M.S. (Lond.), F.R.C.S. (Eng.). In demy 8vo, cloth gilt, 428 pp. **10s. 6d.** net.

TALKS ON INSURANCE LAW. By JOS. A. WATSON, B.Sc., LL.B. In crown 8vo, cloth, 140 pp. **3s. 6d.** net.

PENSION, ENDOWMENT, LIFE ASSURANCE, AND OTHER SCHEMES FOR COMMERCIAL COMPANIES. By HAROLD DOUGHARTY, F.C.I.S. Second Edition. In demy 8vo, cloth gilt, 103 pp. **6s.** net.

COMMERCIAL CREDIT RISKS. By A. H. SWAIN. In demy 8vo, 148 pp. **5s.** net.

THE INSURANCE OF FOREIGN CREDITS. By H. J. LOMAN, Ph.D. Size 6 in. by 9 in., 144 pp. **10s. 6d.** net.

INSURANCE OF PROFITS. By A. G. MACKEN. In demy 8vo, cloth gilt, 136 pp. **5s.** net.

THE SUCCESSFUL INSURANCE AGENT. By J. J. BISGOOD, B.A. In crown 8vo, cloth, 135 pp. **2s. 6d.** net.

THE BUSINESS MAN'S GUIDE TO INSURANCE. By A. PHILPOTT. In crown 8vo, cloth, 183 pp. **3s. 6d.** net.

ORGANIZATION AND MANAGEMENT

OFFICE ORGANIZATION AND MANAGEMENT. Including Secretarial Work. By LAWRENCE R. DICKSEE, M.Com., F.C.A., and Sir H. E. BLAIN, C.B.E. Seventh Edition, Revised. In demy 8vo, cloth gilt, 314 pp. **7s. 6d.** net.

COUNTING HOUSE AND FACTORY ORGANIZATION. A Practical Manual of Modern Methods applied to the Counting House and Factory. By J. GILMOUR WILLIAMSON. In demy 8vo, cloth gilt, 182 pp. **7s. 6d.** net.

FILING SYSTEMS. Their Principles and their Application to Modern Office Requirements. By EDWARD A. COPE. In crown 8vo, cloth gilt, 200 pp., with illustrations. **3s. 6d.** net.

SOLICITOR'S OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS. By E. A. COPE and H. W. H. ROBINS. In demy 8vo, cloth gilt, 176 pp., with numerous forms. **6s.** net.

COLLIERY OFFICE ORGANIZATION AND ACCOUNTS. By J. W. INNES, F.C.A., and T. COLIN CAMPBELL, F.C.I. In demy 8vo. **7s. 6d.** net.

BUSINESS OWNERSHIP ORGANIZATION. By A. H. STOCKDER, M.A. In demy 8vo, cloth, 630 pp. **10s. 6d.** net.

COMMERCIAL MANAGEMENT. By CUNLIFFE L. BOLLING. In demy 8vo, cloth gilt, 435 pp. **10s. 6d.** net.

DRAPERY BUSINESS ORGANIZATION AND MANAGEMENT. By J. ERNEST BAYLEY. In demy 8vo, cloth gilt, 300 pp. **7s. 6d.** net.

ORGANIZATION AND MANAGEMENT IN THE FLOUR MILLING INDUSTRY. By E. LEIGH PEARSON, M.Sc.(Tech.), A.I.C. In demy 8vo, cloth gilt, 254 pp. **12s. 6d.** net.

GROCERY BUSINESS ORGANIZATION AND MANAGEMENT. By C. L. T. BEECHING. With Chapters on Buying a Business, Grocers' Office Work and Book-keeping, etc., by J. A. SMART. Third Edition. In demy 8vo, cloth, 183 pp. **6s.** net.

HOW TO MANAGE A PRIVATE HOTEL. By P. HOBBS. In demy 8vo, cloth gilt, 80 pp. **3s. 6d.** net.

HOTEL ORGANIZATION, MANAGEMENT, AND ACCOUNTANCY. By G. DE BONI and F. F. SHARLES. In demy 8vo, cloth gilt, 215 pp. **10s. 6d.** net.

CLUBS AND THEIR MANAGEMENT. By F. W. PIXLEY. Second Edition. In demy 8vo, cloth. **10s. 6d.** net.

STOCKBROKERS' OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS. By JULIUS E. DAY. In demy 8vo, cloth gilt, 250 pp. **7s. 6d.** net.

THE HISTORY, LAW, AND PRACTICE OF THE STOCK EXCHANGE. By A. P. POLEY, B.A., *Barrister-at-Law*, and F. H. CARRUTHERS GOULD. Third Edition, Revised. In demy 8vo, cloth gilt, 348 pp. **7s. 6d.** net.

SELF-ORGANIZATION FOR BUSINESS MEN. By MORLEY DAINOW, B.Sc. (Hons.), Lond. In demy 8vo, cloth, 154 pp. **5s.** net.

AMERICAN BUSINESS METHODS. By F. W. PARSONS, E.M. In demy 8vo, cloth gilt, 384 pp. **8s. 6d.** net.

INDUSTRIAL ADMINISTRATION

THE PHILOSOPHY OF MANAGEMENT. By OLIVER SHELDON, B.A. In demy 8vo, cloth gilt, 310 pp. **10s. 6d.** net.

THE PSYCHOLOGY OF MANAGEMENT. By L. M. GILBRETH. In demy 8vo, 354 pp. **7s. 6d.** net.

EMPLOYMENT MANAGEMENT. Compiled and edited by DANIEL BLOOMFIELD. In demy 8vo, 507 pp. **8s. 6d.** net.

PROBLEMS OF LABOUR. Compiled and Edited by DANIEL BLOOMFIELD. In demy 8vo, cloth gilt, 434 pp. **8s. 6d.** net.

MODERN INDUSTRIAL MOVEMENTS. Compiled and Edited by DANIEL BLOOMFIELD. In demy 8vo, cloth gilt, 380 pp. **10s. 6d.** net.

COMMON SENSE AND LABOUR. By SAMUEL CROWTHER. In demy 8vo, cloth gilt, 290 pp. **8s. 6d.** net.

CURRENT SOCIAL AND INDUSTRIAL FORCES. Edited by LIONEL D. EDIE. In demy 8vo, cloth gilt, 393 pp. **12s. 6d.** net.

A MERCHANT'S HORIZON. By A. L. FILENE and BURTON KLEINE. In demy 8vo, cloth gilt, 272 pp. **10s. 6d.** net.

NEW LEADERSHIP IN INDUSTRY. By SAM. A. LEWISOHN. In demy 8vo, cloth gilt, 224 pp. **7s. 6d.** net.

INDUSTRIAL CONFLICT: THE WAY OUT. By the Right Hon. GEORGE N. BARNES. In crown 8vo, 110 pp. **3s. 6d.** net.

LECTURES ON INDUSTRIAL ADMINISTRATION. Edited by B. MUSCIO, M.A. In crown 8vo, cloth, 276 pp. **6s.** net.

OUTLINES OF INDUSTRIAL ADMINISTRATION. By R. O. HERFORD, H. T. HILDAGE, and H. G. JENKINS. In demy 8vo, cloth gilt, 124 pp. **6s.** net.

INDUSTRIAL CONTROL. By F. M. LAWSON. In demy 8vo, cloth gilt, 130 pp. **8s. 6d.** net.

ENGINEERING FACTORY SUPPLIES. By W. J. HISCOX. In demy 8vo, cloth gilt, 184 pp. **5s.** net.

FACTORY LAY-OUT, PLANNING, AND PROGRESS. By W. J. HISCOX. In demy 8vo, cloth gilt, 200 pp. **7s. 6d.** net.

FACTORY ADMINISTRATION IN PRACTICE. By W. J. Hiscox. In demy 8vo, cloth gilt. **8s. 6d.** net.

FACTORY MANAGEMENT. By P. M. Atkins, M.A. In demy 8vo, cloth gilt, 400 pp. **21s.** net.

MANAGEMENT. By J. Lee, M.A., M.Com.Sc. In demy 8vo, cloth gilt, 133 pp. **5s.** net.

AN INTRODUCTION TO INDUSTRIAL ADMINISTRATION. By John Lee, M.A., M.Com.Sc. In demy 8vo, cloth gilt, 200 pp. **5s.** net.

INDUSTRIAL ORGANIZATION. By John Lee, M.A., M.Com.Sc. In demy 8vo, cloth gilt, 130 pp. **5s.** net.

THE PRINCIPLES OF INDUSTRIAL WELFARE. By John Lee, M.A., M.Com.Sc. In demy 8vo, cloth, 103 pp. **5s.** net.

WELFARE WORK IN INDUSTRY. By members of the Institute of Industrial Welfare Workers. Edited by Eleanor T. Kelly. In demy 8vo, cloth, 128 pp. **5s.** net.

THE STANDARDIZATION OF WORKSHOP OPERATIONS. By T. Pilkington, M.I.Mech.E. **16s.** net.

WORKSHOP COMMITTEES. By C. G. Renold. In demy 8vo, 52 pp. **1s.** net.

RESEARCH IN INDUSTRY. By A. P. M. Fleming, C.B.E., M.Sc., M.I.E.E., and J. G. Pearce, B.Sc., A.M.I.E.E. In demy 8vo, cloth gilt, 264 pp. **10s. 6d.** net.

INTRODUCTION TO THE PRINCIPLES OF INDUSTRIAL ADMINISTRATION. By A. P. M. Fleming and H. J. Brocklehurst, M.Eng., A.M.I.E.E. In demy 8vo, 140 pp. **3s. 6d.** net.

THE CONTROL OF WAGES. By W. Hamilton and S. May. In crown 8vo, cloth, 188 pp. **5s.** net.

SHARING PROFITS WITH EMPLOYEES. By J. A. Bowie, M.A. Second Edition. In demy 8vo, cloth gilt, 230 pp. **10s. 6d.** net.

PRACTICAL ADVICE TO INVENTORS AND PATENTEES. By C. M. Linley. In crown 8vo, cloth, 134 pp. **3s. 6d.** net.

PATENTS FOR INVENTIONS. By J. Ewart Walker, B.A., *Barrister-at-Law*, and R. Bruce Foster, B.Sc., *Barrister-at-Law.* In demy 8vo, cloth gilt, 400 pp. **21s.** net.

TRANSPORT

INDUSTRIAL TRAFFIC MANAGEMENT. By Geo. B. Lissenden, *Author of "Railway (Rebates) Case Law," etc., etc.* With a Foreword by the late Lord Leverhulme. Second Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 352 pp. **21s.** net.

COMMERCIAL AIR TRANSPORT. By Lieut.-Col. Ivo Edwards, C.M.G., and F. Timms, A.F.R.Ae.S. In demy 8vo, cloth, 178 pp. **7s. 6d.** net.

RAILWAY RATES, PRINCIPLES, AND PROBLEMS. By Philip Burtt, M.Inst.T. In demy 8vo, cloth gilt, 174 pp. **6s.** net.

MODERN RAILWAY OPERATION. By D. R. Lamb, M.Inst.T. In demy 8vo, cloth. **7s. 6d.** net.

MOTOR ROAD TRANSPORT FOR COMMERCIAL PURPOSES. By John Phillimore. With an Introduction by Sir H. P. Maybury, K.C.M.G., C.B. Second Edition. In demy 8vo, cloth gilt, 233 pp. **10s. 6d.** net.

THE HISTORY AND ECONOMICS OF TRANSPORT. By Adam W. Kirkaldy, M.A., B.Litt. (Oxford), M.Com. (Birmingham), and Alfred Dudley Evans. Fourth Edition. In demy 8vo, cloth gilt, 438 pp. **16s.** net.

THE RIGHTS AND DUTIES OF TRANSPORT UNDERTAKINGS. By H. Barrs Davies, M.A. In demy 8vo, cloth, 135 pp. **5s.** net.

ROAD MAKING AND ROAD USING. By T. Salkield, M.Inst.E.C., M.Inst.T. In demy 8vo, cloth gilt, 180 pp. **7s. 6d.** net.

PORT ECONOMICS. By B. Cunningham, D.Sc., B.E., F.R.S.E., M.Inst.C.E. In demy 8vo, cloth gilt, 144 pp. **6s.** net.

SHIPPING

SHIPPING OFFICE ORGANIZATION, MANAGEMENT, AND ACCOUNTS. By ALFRED CALVERT. In demy 8vo, cloth gilt, 203 pp. **6s.** net.

THE SHIPPER'S DESK BOOK. By J. A. DUNNAGE. With a Foreword by Sir JOSEPH G. BROODBANK, *President of the Institute of Transport*, 1923–24. In crown 8vo, cloth, 190 pp. **3s. 6d.** net.

SHIPPING TERMS AND PHRASES. By the same Author. Cloth. **2s. 6d.** net.

THE EXPORTER'S HANDBOOK AND GLOSSARY. By F. M. DUDENEY. In demy 8vo, cloth gilt, 254 pp. **7s. 6d.** net.

THE IMPORTER'S HANDBOOK. By J. A. DUNNAGE, *Graduate of the Institute of Transport*. In demy 8vo, cloth gilt, 382 pp. **10s. 6d.** net.

HOW TO EXPORT GOODS. By F. M. DUDENEY. In crown 8vo, cloth, 112 pp. **2s.** net.

HOW TO IMPORT GOODS. By J. A. DUNNAGE. In crown 8vo, cloth, 128 pp. **2s.** net.

IMPORT AND EXPORT TRADE. By A. S. HARVEY, *Officer of H.M. Customs and Excise*. In demy 8vo, cloth gilt, 518 pp. **21s.** net.

EXPORTING TO THE WORLD. By A. A. PRECIADO. A manual of practical export information. In demy 8vo, cloth gilt, 447 pp. **21s.** net.

FOREIGN TRADE. By HOWARD C. KIDD. Second Edition. Size 5½ in. by 8 in., cloth, 440 pp. **12s. 6d.** net.

EXPORT CREDITS AND COLLECTIONS. By G. C. POOLE. Size 6 in. by 9 in., cloth gilt. **16s.** net.

CASE AND FREIGHT COSTS. The Principles of Calculation relating to the Cost of, and Freight on, Sea or Commercial Cases. By A. W. E. CROSFIELD. In crown 8vo, cloth, 62 pp. **2s.** net.

CONSULAR REQUIREMENTS FOR EXPORTERS AND SHIPPERS TO ALL PARTS OF THE WORLD. By J. S. NOWERY. Second Edition, Revised and Enlarged. In demy 8vo, cloth. **7s. 6d.** net.

INTRODUCTION TO SHIPBROKING. By C. D. MACMURRAY and M. M. CREE. In demy 8vo, cloth, 166 pp. **3s. 6d.** net.

SHIPPING AND SHIPBROKING. By the same Authors. Second Edition. In demy 8vo, cloth gilt, 543 pp. **15s.** net.

SHIPPING BUSINESS METHODS. By R. B. PAUL. In demy 8vo, cloth gilt, 104 pp. **3s. 6d.** net.

SHIPPING FINANCE AND ACCOUNTS. By the same Author. In demy 8vo, cloth gilt, 74 pp. **2s. 6d.** net.

BANKING AND FINANCE

MONEY, EXCHANGE, AND BANKING, in their Practical, Theoretical, and Legal Aspects. A complete Manual for Bank Officials, Business Men, and Students of Commerce. By H. T. EASTON, *Associate of the Institute of Bankers*. Third Edition. In demy 8vo, cloth gilt, 331 pp. **6s.** net.

AN OUTLINE OF ENGLISH BANKING ADMINISTRATION. By JOSEPH SYKES, B.A. (Hons.), *Fellow of the Royal Economic Society*. In crown 8vo, cloth, 96 pp. **2s. 6d.** net.

ENGLISH BANKING METHODS. The Practical Operation of an English Bank. By LEONARD LE MARCHANT MINTY, Ph.D., B.Sc. (Econ.). Third Edition. In demy 8vo, cloth gilt, 480 pp. **15s.** net.

ENGLISH PUBLIC FINANCE. From the Revolution of 1688. With Chapters on the Bank of England. By HARVEY E. FISK. In demy 8vo, cloth gilt, 207 pp. **7s. 6d.** net.

INTERNATIONAL TRADE FINANCE. By G. W. EDWARDS, Ph.D. In demy 8vo, cloth gilt, 512 pp. **10s. 6d.** net.

MODERN FINANCE AND INDUSTRY. By A. S. WADE, *City Editor of "The Daily News" and "Star."* In demy 8vo, cloth gilt, 136 pp. **5s.** net.

FOREIGN EXCHANGE ACCOUNTING. By C. DJÖRUP, B.C.S., C.P.A. Size 6 in. by 9 in., cloth gilt, 420 pp. **15s.** net.

FOREIGN EXCHANGE. Part I. Answers to the questions set at the Examinations of the Institute of Bankers. By L. L. M. MINTY. In crown 8vo, cloth, 100 pp. **3s. 6d.** net.

FOREIGN EXCHANGE AND FOREIGN BILLS IN THEORY AND IN PRACTICE. By W. F. SPALDING, *Fellow of the London Institute of Bankers.* Sixth Edition. In demy 8vo, cloth gilt, 283 pp. **7s. 6d.** net.

EASTERN EXCHANGE, CURRENCY, AND FINANCE. By the same Author. Fourth Edition. In demy 8vo, cloth, 485 pp., illustrated. **15s.** net.

FOREIGN EXCHANGE, A PRIMER OF. By the same Author. Second Edition. In demy 8vo, cloth, 108 pp. **3s. 6d.** net.

THE FINANCE OF FOREIGN TRADE. By the same Author. In demy 8vo, cloth gilt, 190 pp. **7s. 6d.** net.

BANKERS' CREDITS AND ALL THAT APPERTAINS TO THEM IN THEIR PRACTICAL, LEGAL, AND EVERYDAY ASPECTS. By the same Author. Second Edition. In demy 8vo, cloth gilt, 126 pp. **10s. 6d.** net.

THE FUNCTIONS OF MONEY. By the same Author. With a Foreword by G. ARMITAGE SMITH, D.Lit., M.A. In demy 8vo, cloth gilt, 179 pp. **7s. 6d.** net.

THE LONDON MONEY MARKET. By the same Author. A practical guide to what it is, where it is, and the operations conducted in it. Third Edition. In demy 8vo, cloth gilt, 232 pp. **10s. 6d.** net.

PRACTICAL BANKING. By J. F. G. BAGSHAW. With chapters on **"The Principles of Currency,"** by C. F. HANNAFORD; and **"Bank Book-keeping,"** by W. H. PEARD. Revised Edition. In demy 8vo, cloth gilt, 448 pp. **7s. 6d.** net.

BANK ORGANIZATION, MANAGEMENT, AND ACCOUNTS. By J. F. DAVIS, D.Lit., M.A., LL.B. In demy 8vo, cloth gilt, 165 pp. **6s.** net.

CHEQUES: THEIR ORIGIN AND DEVELOPMENT, AND HOW THEY ARE HANDLED BY AN ENGLISH BANK. By C. F. HANNAFORD. Edited by Sir JOHN PAGET, K.C. In demy 8vo, cloth gilt, 195 pp. **6s.** net.

BILLS, CHEQUES, AND NOTES. A Handbook for Business Men and Lawyers. By J. A. SLATER, B.A., LL.B. (Lond.). Fourth Edition. In demy 8vo, cloth gilt, 214 pp. **6s.** net.

THE BANKERS' CLEARING HOUSE. What it is and what it does. By P. W. MATTHEWS. In demy 8vo, cloth gilt, 168 pp. **7s. 6d.** net.

BANKERS' SECURITIES AGAINST ADVANCES. By LAWRENCE A. FOGG. *Certificated Associate of the Institute of Bankers.* In demy 8vo, cloth gilt, 120 pp. **6s.** net.

THE BANKER AS A LENDER. By F. E. STEELE. In demy 8vo, cloth gilt, 150 pp. **5s.** net.

HOW TO SUCCEED IN A BANK. By the same Author. In crown 8vo, cloth, 156 pp. **3s. 6d.** net.

BANKERS' ADVANCES. By F. R. STEAD. Edited by Sir JOHN PAGET, K.C. In demy 8vo, cloth, 144 pp. **6s.** net.

BANKERS' TESTS. By F. R. STEAD. In demy 8vo, cloth gilt, 144 pp. **10s. 6d.** net.

BANKERS' ADVANCES AGAINST PRODUCE. By A. WILLIAMS. In demy 8vo, cloth gilt, 147 pp. **6s.** net.

ENGLISH COMPOSITION AND BANKING CORRESPONDENCE. By L. E. W. O. FULLBROOK-LEGGATT, M.C., B.A. In demy 8vo, cloth gilt, 300 pp. **5s.** net.

SIMPLE INTEREST TABLES. By Sir WM. SCHOOLING, K.B.E. In crown 8vo, cloth gilt, 188 pp. **21s.** net.

DICTIONARY OF BANKING. A Complete Encyclopaedia of Banking Law and Practice. By W. THOMSON, *Bank Inspector*. Sixth Edition, Revised and Enlarged. In crown 4to, half-leather gilt, 720 pp. **30s.** net.

TITLE DEEDS AND THE RUDIMENTS OF REAL PROPERTY LAW. By F. R. STEAD. Third Edition. In demy 8vo, cloth, 151 pp. **6s.** net.

SECRETARIAL WORK, ETC.

THE COMPANY SECRETARY'S VADE MECUM. Edited by PHILIP TOVEY, F.C.I.S. Third Edition, Revised and Enlarged. In foolscap 8vo, cloth. **3s. 6d.** net.

SECRETARY'S HANDBOOK. A Practical Guide to the Work and Duties in connection with the Position of Secretary to an institution or to a private individual. Edited by Sir H. E. BLAIN, C.B.E. In demy 8vo, cloth gilt, 168 pp. **5s.** net.

GUIDE FOR THE COMPANY SECRETARY. A Practical Manual and Work of Reference for the Company Secretary. By ARTHUR COLES, F.C.I.S. Second Edition. In demy 8vo, cloth gilt, 432 pp. **6s.** net.

DICTIONARY OF SECRETARIAL LAW AND PRACTICE. A Comprehensive Encyclopaedia of Information and Direction on all matters connected with the work of a Company Secretary. Edited by PHILIP TOVEY, F.C.I.S., assisted by specialist contributors. Third Edition. In crown 4to, half-leather gilt, 1011 pp. **42s.** net.

HONORARY SECRETARYSHIP. By W. B. THORNE,. In crown 8vo, cloth, 81 pp. **2s. 6d.** net.

DEBENTURES. A Handbook for Limited Company Officials, Investors, and Business Men. By F. SHEWELL COOPER, M.A., *of the Inner Temple, Barrister-at-Law*. In demy 8vo, cloth gilt, 149 pp. **6s.** net.

THE TRANSFER OF STOCKS, SHARES, AND OTHER MARKETABLE SECURITIES. A Manual of the Law and Practice. By F. D. HEAD, B.A. (Oxon), *Barrister-at-Law*. Third Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 220 pp. **10s. 6d.** net.

FORMATION AND MANAGEMENT OF A PRIVATE COMPANY. By F. D. HEAD, *of Lincoln's Inn, Barrister-at-Law*. In demy 8vo, cloth, 245 pp., **7s. 6d.** net.

LIMITED LIABILITY COMPANIES. By R. ASHWORTH, A.C.A., F.S.A.A. In demy 8vo, cloth gilt, 459 pp. **10s. 6d.** net.

THE COMPANY REGISTRAR'S MANUAL. By J. J. QUINLIVAN. In demy 8vo, cloth gilt, 343 pp. **10s. 6d.** net.

MEETINGS. The Regulation of and Procedure at Meetings of Companies and Public Bodies and at Public Meetings. By F. D. HEAD, B.A. (Oxon), *of Lincoln's Inn, Barrister-at-Law*. In demy 8vo, cloth gilt, 216 pp. **5s.** net.

THE CHAIRMAN'S MANUAL. Being a Guide to the Management of Meetings in general. By GURDON PALIN, *Barrister-at-Law*, and ERNEST MARTIN, F.C.I.S. In crown 8vo, cloth gilt, 192 pp. **5s.** net.

HOW TO TAKE MINUTES. Edited by ERNEST MARTIN, F.C.I.S. Second Edition. In demy 8vo, cloth gilt, 130 pp. **2s. 6d.** net.

PROSPECTUSES: HOW TO READ AND UNDERSTAND THEM. By PHILIP TOVEY, F.C.I.S. In demy 8vo, cloth, 109 pp. **5s.** net.

PRACTICAL SHARE TRANSFER WORK. By F. W. LIDINGTON. In crown 8vo, 123 pp. **3s. 6d.** net.

QUESTIONS AND ANSWERS ON SECRETARIAL PRACTICE. By E. J. HAMMOND, A.C.I.S., A.L.A.A. In demy 8vo, cloth gilt, 250 pp. **7s. 6d.** net.

EXAMINATION NOTES ON SECRETARIAL PRACTICE. By C. W. ADAMS, A.C.I.S. In crown 8vo, cloth, 80 pp. **2s. 6d.** net.

PRACTICAL DIRECTORSHIP. By H. E. COLESWORTHY, A.S.A.A., and S. T. MORRIS, A.S.A.A., A.C.W.A. A guide to the duties of a company director. In demy 8vo, cloth gilt, 248 pp. **7s. 6d.** net.

INCOME TAX

DICTIONARY OF INCOME TAX AND SUPER TAX PRACTICE. Incorporating the Consolidation Act of 1918 and the Finance Acts, 1919 to 1925, and containing supplement incorporating the Provisions of the Finance Act, 1926. Seventh Edition. By W. E. SNELLING. In demy 8vo, half-leather gilt, 716 pp. **25s.** net.

DOUBLE INCOME TAX RELIEF. By H. E. SEED and A. W. RAWLINSON. In crown 8vo, cloth gilt, 146 pp. **10s. 6d.** net.

ECONOMICS

ECONOMIC GEOGRAPHY. By J. MCFARLANE, M.A., M.Com. Third Edition. In demy 8vo, cloth gilt, 648 pp. **10s. 6d.** net.

THE PRINCIPLES OF ECONOMIC GEOGRAPHY. By R. N. RUDMOSE BROWN, D.Sc., *Lecturer in Geography in the University of Sheffield* Second Edition. In demy 8vo, cloth gilt, 223 pp. **7s. 6d.** net.

THE HISTORY OF COMMERCE. By T. G. WILLIAMS, M.A., F.R.Hist.S., F.R.Econ.S. In demy 8vo, cloth gilt, 343 pp. **5s.** net.

HISTORY OF AGRICULTURE IN EUROPE AND AMERICA. By N. S. B. GRAS. In demy 8vo, cloth gilt, 472 pp. **15s.** net.

OUTLINES OF THE ECONOMIC HISTORY OF ENGLAND. A Study in Social Development. By H. O. MEREDITH, M.A., M.Com., *Fellow of King's College, Cambridge.* In demy 8vo, cloth gilt, 376 pp. **7s. 6d.** net.

ECONOMIC HISTORY OF THE UNITED STATES. By T. W. V. METRE. In demy 8vo, cloth, 680 pp. **10s. 6d.** net.

INTERNATIONAL RELATIONS. By R. L. BUELL. In demy 8vo, cloth gilt, 784 pp. **21s.** net.

MAIN CURRENTS OF SOCIAL AND INDUSTRIAL CHANGE. By T. G. WILLIAMS, M.A., F.R.Hist.S., F.R.Econ.S. In crown 8vo, cloth, 320 pp. **5s.** net.

AN INTRODUCTION TO SOCIOLOGY AND SOCIAL PROBLEMS. By W. G. BEACH. In demy 8vo, cloth gilt, 383 pp. **6s.** net.

THE PRINCIPLES OF BUSINESS ECONOMICS. By JAS. STEPHENSON, M.A., M.Com., D.Sc. In demy 8vo, cloth gilt, 504 pp. **10s. 6d.** net.

ECONOMICS FOR BUSINESS MEN. By W. J. WESTON, M.A., B.Sc. In crown 8vo, cloth gilt, 265 pp. **3s. 6d.** net.

ECONOMICS FOR EVERYMAN. An introduction to Social Economics. By JAMES E. LE ROSSIGNOL. In crown 8vo, cloth, 342 pp. **5s.** net.

SOCIAL CONSEQUENCES OF BUSINESS CYCLES. By M. B. HEXTER. In demy 8vo, cloth gilt, 230 pp. **15s.** net.

LABOUR ECONOMICS. By SOLOMON BLUM. In demy 8vo, cloth gilt, 590 pp. **12s. 6d.** net.

BRITISH FINANCE DURING AND AFTER THE WAR, 1914–21. The results of investigations and materials collected by a Committee of the British Association, co-ordinated and brought up to date by A. H. GIBSON, and edited by A. W. KIRKALDY, M.A., B.Litt. In demy 8vo, cloth gilt, 479 pp. **15s.** net.

BRITISH LABOUR. Replacement and Conciliation, 1914–1921. Edited by ADAM W. KIRKALDY, M.A., B.Litt., M.Com. Deals with the results of inquiries arranged by the Section of Economic Science and Statistics of the British Association. In demy 8vo, cloth gilt. **10s. 6d.** net.

MONEY. By W. T. FOSTER and W. CATCHINGS. In demy 8vo, cloth gilt, 419 pp. **15s.** net.

PROFITS. By the same Authors. In demy 8vo, cloth gilt, 487 pp. **15s.** net.

THE CONTROL OF WAGES. By WALTER HAMILTON and STACY MAY. In crown 8vo, cloth, 188 pp. **5s.** net.

A FAIR WAGE. By EDWARD BATTEN, M.I.Mech.E. Reflections on the minimum wage and other economic problems. 100 pp. **2s. 6d.** net.

NATIONAL ECONOMICS. By the same Author. In demy 8vo, cloth, 229 pp. **5s.** net.

ECONOMICS: PRINCIPLES AND PROBLEMS. By LIONEL D. EDIE, *of Indiana University*. In demy 8vo, cloth gilt, 820 pp. **15s.** net.

THE SUBSTANCE OF ECONOMICS. By H. A. SILVERMAN, B.A. (Econ.). Fourth Edition. For the Student and General Reader. In crown 8vo, cloth gilt, 363 pp. **6s.** net.

ECONOMICS OF PRIVATE ENTERPRISE, THE. By J. H. JONES, M.A., *Professor of Economics, University of Leeds*. In demy 8vo, cloth gilt, 456 pp. **7s. 6d.** net.

INDUSTRIAL COMBINATION IN ENGLAND. By PATRICK FITZGERALD, B.Com., *Assistant Editor* "The Statist." In demy 8vo, cloth gilt, 229 pp. **10s. 6d.** net.

PLAIN ECONOMICS. An Examination of the Essential Issues. By J. LEE, M.A., M.Com.Sc. In crown 8vo, cloth gilt, 110 pp. **8s. 6d.** net.

LABOUR, CAPITAL, AND FINANCE. By "Spectator" (WALTER W. WALL, F.J.I.). In crown 8vo, cloth, 127 pp. **3s. 6d.** net.

A THEORY OF CONSUMPTION. By HAZEL KYRK, Ph.D. In demy 8vo, cloth, 312 pp. **10s. 6d.** net.

MUNICIPAL WORK

PRINCIPLES OF ORGANIZATION. By WM. BATESON, A.C.A., F.S.A.A., *Borough Treasurer for Blackpool*. In demy 8vo, cloth gilt, 92 pp. **3s. 6d.** net.

ORGANIZATION AND ADMINISTRATION OF THE FINANCE DEPARTMENT. By WM. BATESON, A.C.A., F.S.A.A. In demy 8vo, cloth gilt, 276 pp. **7s. 6d.** net.

ORGANIZATION AND ADMINISTRATION OF THE TRAMWAYS DEPARTMENT. By S. B. NORMAN MARSH, *Accountant to the Birmingham Corporation Tramways*. In demy 8vo, cloth gilt, 170 pp. **6s.** net.

ORGANIZATION AND ADMINISTRATION OF THE ELECTRICITY UNDERTAKING. By C. L. E. STEWART, M.I.E.E. In demy 8vo, cloth gilt, 180 pp. **6s.** net.

ORGANIZATION AND ADMINISTRATION OF THE GAS UNDERTAKING. By EDWIN UPTON, F.S.A.A. In demy 8vo, cloth gilt, 130 pp. **5s.** net.

ORGANIZATION AND ADMINISTRATION OF THE TOWN CLERK'S DEPARTMENT. By A. S. WRIGHT and E. HUGH SINGLETON. With a Foreword by D. L. HARBOTTLE, LL.B. In demy 8vo, cloth gilt, 268 pp. **7s. 6d.** net.

ORGANIZATION AND ADMINISTRATION OF THE WATERWORKS UNDERTAKING. By F. J. ALBAN, F.S.A.A., F.I.M.T.A., A.C.I.S. In demy 8vo, cloth gilt. **10s. 6d.** net.

ORGANIZATION AND ADMINISTRATION OF THE EDUCATION DEPARTMENT. By A. E. IKIN, B.Sc., LL.D. In demy 8vo, cloth gilt, 252 pp. **7s. 6d.** net.

ORGANIZATION AND ADMINISTRATION OF THE PUBLIC HEALTH DEPARTMENT. By W. A. LEONARD, *Chief Clerk and Statistician in the Public Health Department, Birmingham*. In demy 8vo, cloth gilt, 156 pp. **6s.** net.

LOANS AND BORROWING POWERS OF LOCAL AUTHORITIES. By J. H. BURTON. In demy 8vo, cloth gilt, 228 pp. **7s. 6d.** net.

LOCAL GOVERNMENT OF THE UNITED KINGDOM. By J. J. CLARKE, M.A., F.S.S. Fourth Edition. In crown 8vo, cloth gilt, 601 pp. **10s. 6d.** net.

RATES AND RATING. The Law and Practice of Rating for the Ratepayer and Rating Official. By ALBERT CREW, *Barrister-at-Law*. Third Edition applicable only to England and Wales. In crown 8vo, cloth gilt, 456 pp. **10s. 6d.** net.

MUNICIPAL BOOK-KEEPING. By J. H. McCALL, F.S.A.A. Second Edition. In demy 8vo, cloth gilt, 122 pp. **7s. 6d.** net.
MUNICIPAL AUDIT PROGRAMMES. By S. S. WHITEHEAD, A.S.A.A., A.C.I.S., *Borough Accountant of Hammersmith.* In demy 8vo, cloth gilt, 116 pp. **3s. 6d.** net.
MUNICIPAL ACCOUNTING SYSTEMS. By the same Author. In demy, 8vo, cloth gilt, 140 pp. **5s.** net.
MUNICIPAL STUDENTS' EXAMINATION NOTEBOOK. By S. WHITEHEAD. In crown 8vo, cloth, 220 pp. **7s. 6d.** net.
AMERICAN CITY GOVERNMENT. By W. ANDERSON, Ph.D. In demy 8vo, cloth gilt, 686 pp. **21s.** net.

ADVERTISING AND SALESMANSHIP

MODERN ADVERTISING. In two volumes, 11 in. by 8½ in., bound in buckram, with gilt lettering. **63s.** net.
STORECRAFT. By S. A. WILLIAMS, M.A. In crown 8vo, cloth, 143 pp. **3s. 6d.** net.
SUCCESSFUL RETAILING. By E. N. SIMONS. In demy 8vo, cloth gilt, 210 pp. **5s.** net.
THE CRAFT OF SILENT SALESMANSHIP. A Guide to Advertisement Construction. By C. MAXWELL TREGURTHA and J. W. FRINGS. Size 6½ in. by 9½ in., cloth, 98 pp., with illustrations. **5s.** net.
SALESMANSHIP. By W. A. CORBION and G. E. GRIMSDALE. In crown 8vo, cloth, 186 pp. **3s. 6d.** net.
SALESMANSHIP. By C. H. FERNALD, M.B.A. In medium 8vo, cloth, 491 pp. **18s.** net.
TRAINING FOR MORE SALES. By C. C. KNIGHTS. In demy 8vo, cloth, 240 pp. **5s.** net.
AN OUTLINE OF SALES MANAGEMENT. By the same Author. In demy 8vo, cloth gilt, 196 pp. **5s.** net.
TECHNIQUE OF SALESMANSHIP. By the same Author. In demy 8vo, cloth gilt, 249 pp. **5s.** net.
PRACTICAL SALESMANSHIP. By N. C. FOWLER, Junr. In crown 8vo, 337 pp. **7s. 6d.** net.
SALES MANAGEMENT. By CUNLIFFE L. BOLLING. In demy 8vo, cloth gilt, 307 pp. **10s. 6d.** net.
SALESMEN'S AGREEMENTS. Compiled from the proceedings of a special Conference of the Incorporated Association of Sales Managers of Great Britain. In demy 8vo, cloth gilt, 84 pp. **5s.** net.
COMMERCIAL TRAVELLING. By ALBERT E. BULL. In crown 8vo, cloth gilt, 174 pp. **3s. 6d.** net.
THE BUSINESS MAN'S GUIDE TO ADVERTISING. By the same Author. In crown 8vo, cloth, 127 pp. **3s. 6d.** net.
ADVERTISING AND THE SHOPKEEPER. By HAROLD W. ELEY. In crown 8vo, 160 pp. **3s. 6d.** net.
ADVERTISING PROCEDURE. By O. KLEPPNER. In demy 8vo, cloth gilt, 555 pp. **21s.** net.
THE LANGUAGE OF ADVERTISING. By J. B. OPDYCKE. Size 9½ in. by 6½ in., cloth, 506 pp. **15s.** net.
THE MANUAL OF SUCCESSFUL STOREKEEPING. By W. R. HOTCHKIN. In demy 8vo, 298 pp. **8s. 6d.** net.
THE PRINCIPLES OF PRACTICAL PUBLICITY. By TRUMAN A. DE WEESE. In large crown 8vo, cloth, 266 pp., with 43 illustrations. **10s. 6d.** net.
BUSINESS LETTER PRACTICE. By J. B. OPDYCKE. In demy 8vo, cloth gilt, 602 pp. **7s. 6d.** net.
EFFECTIVE POSTAL PUBLICITY. By MAX RITTENBERG. Size 6½ in. by 9½ in., cloth, 167 pp. **7s. 6d.** net.

PRACTICAL POINTS IN POSTAL PUBLICITY. By MAX RITTENBERG, Size, 6¼ in. by 9¼ in., cloth, **7s. 6d.** net.
MAIL ORDER AND INSTALMENT TRADING. By the same Author. In demy 8vo, cloth gilt, 356 pp. **7s. 6d.** net.
MAIL ORDER ORGANIZATION. By P. E. WILSON. In crown 8vo, cloth gilt, 127 pp. **3s. 6d.** net.
THE OUTDOOR SALES FORCE. By P. E. WILSON. In crown 8vo, cloth, 146 pp. **3s. 6d.** net.
SUCCESSFUL BUYING. By E. N. SIMONS. In demy 8vo, cloth gilt. **10s. 6d.** net.
PURCHASING. By J. C. DINSMORE. Size 6 in. by 9 in., cloth, 295 pp. **16s.** net.
ADS. AND SALES. By HERBERT N. CASSON. In demy 8vo, cloth, 167 pp. **8s. 6d.** net.
MODERN PUBLICITY. By A. W. DEAN. In crown 8vo, cloth, 70 pp. **2s. 6d.** net.
ADVERTISING AND SELLING. By 150 Advertising and Sales Executives. Edited by NOBLE T. PRAIGG. In demy 8vo, cloth, 495 pp. **10s. 6d.** net.
MODERN METHODS IN SELLING. By L. J. HOENIG. In large crown 8vo, cloth gilt, 310 pp. **10s. 6d.** net.
EXPORT ADVERTISING PRACTICE. By C. F. PROPSON. Size 6 in. by 9 in., cloth gilt, 284 pp. **16s.** net.
ADVERTISING THROUGH THE PRESS. By N. HUNTER. In demy 8vo, cloth, 146 pp. **5s.** net.
PRACTICAL PRESS PUBLICITY. By A. L. CULYER. In demy 8vo, cloth, 95 pp. **3s. 6d.** net.
SHOP FITTINGS AND DISPLAY. By A. E. HAMMOND. In demy 8vo, cloth, 142 pp. **5s.** net.
WINDOW DRESSING. By G. L. TIMMINS. In crown 8vo, cloth, 85 pp. **2s.** net.
COMMERCIAL PHOTOGRAPHY. By D. CHARLES. In demy 8vo, cloth gilt, 156 pp. **5s.** net.
TRAINING IN COMMERCIAL ART. By V. L. DANVERS. In crown 4to. **21s.** net.
TICKET AND SHOW CARD DESIGNING. By F. A. PEARSON. In foolscap 4to, cloth. **3s. 6d.** net.
PLAIN AND ORNAMENTAL LETTERING. By E. G. FOOKS. Size, 9¼ in. by 6¾ in., 94 pp. **3s. 6d.** net.
DECORATIVE WRITING AND ARRANGEMENT OF LETTERING. By Prof. A. ERDMANN and A. A. BRAUN. Size 9½ in. by 6½ in., 134 pp. **10s. 6d.** net.
PRINTING. By H. A. MADDOX. In demy 8vo, cloth, 159 pp. **5s.** net.

LAW

MERCANTILE LAW. A Practical Exposition for Law Students, Business Men, and Advanced Classes in Commercial Colleges and Schools. By J. A. SLATER, B.A., LL.B. Fifth Edition. Revised by R. W. HOLLAND, O.B.E., M.A., M.Sc., LL.D., *of the Middle Temple, Barrister-at-Law.* In demy 8vo, cloth gilt, 464 pp. **7s. 6d.** net.
COMPANIES AND COMPANY LAW. Together with the Companies (Consolidation) Act, 1908; and the Acts of 1913 to 1917. By A. C. CONNELL, LL.B. (Lond.), *of the Middle Temple, Barrister-at-Law.* Third Edition, Revised. In demy 8vo, cloth gilt, 348 pp. **6s.** net.
COMPANY CASE LAW. By F. D. HEAD, B.A. (Oxon), *Barrister-at-Law.* In demy 8vo, cloth gilt, 314 pp. **7s. 6d.** net.
QUESTIONS AND ANSWERS ON COMPANY LAW. By G. WILLIAM FORTUNE, F.S.A.A., F.C.I.S. (Hons.); and D. R. MATHESON, M.A. (Hons.), A.S.A.A. (Hons.). In crown 8vo, cloth gilt, 184 pp. **5s.** net.

THE LAW RELATING TO THE CARRIAGE BY LAND OF PASSENGERS, ANIMALS, AND GOODS. By S. W. CLARKE, *Barrister-at-Law.* In demy 8vo, cloth gilt, 350 pp. **7s. 6d.** net.

THE LAW RELATING TO SECRET COMMISSIONS AND BRIBES. By ALBERT CREW, *Barrister-at-Law of Gray's Inn.* Second Edition, Revised and Enlarged. In demy 8vo, cloth gilt, 252 pp. **10s. 6d.** net.

BANKRUPTCY, DEEDS OF ARRANGEMENT, AND BILLS OF SALE. By W. VALENTINE BALL, M.A., *Barrister-at-Law.* Fourth Edition. Revised in accordance with the Bankruptcy and the Deeds of Arrangement Acts, 1914. In demy 8vo, 364 pp. **12s. 6d.** net.

PRINCIPLES OF MARINE LAW. By LAWRENCE DUCKWORTH, *Barrister-at-Law.* Third Edition, Revised. In demy 8vo, 400 pp. **7s. 6d.** net.

LAW FOR JOURNALISTS. By CHARLES PILLEY, *Barrister-at-Law, of Gray's Inn and the Western Circuit.* In demy 8vo, cloth, 170 pp. **5s.** net.

GUIDE TO THE LAW OF LICENSING. By J. WELLS THATCHER, *Barrister-at-Law.* In demy 8vo, cloth gilt, 200 pp. **5s.** net.

RAILWAY (REBATES) CASE LAW. By GEO. B. LISSENDEN. In demy 8vo, cloth gilt, 450 pp. **10s. 6d.** net.

GUIDE TO RAILWAY LAW. By A. E. CHAPMAN, M.A., LL.D. A Handbook for Traders, Passengers, and Railway Students. Second Edition. In demy 8vo, cloth gilt, 239 pp. **7s. 6d.** net.

RAILWAY ACT, 1921. By R. P. GRIFFITHS. In demy 8vo, 80 pp. **2s. 6d.** net.

PARTNERSHIP LAW AND ACCOUNTS. By R. W. HOLLAND, O.B.E., M.A., M.Sc., LL.D., *Barrister-at-Law.* In demy 8vo, 159 pp. **6s.** net.

THE LAW OF CONTRACT. By the same Author. Revised and Enlarged Edition. In demy 8vo, cloth, 123 pp. **5s.** net.

TRUSTS. By C. KELLY and J. COLE-HAMILTON, *Chartered Accountants.* In demy 8vo, cloth gilt, 418 pp. **15s.** net.

WILLS, EXECUTORS, AND TRUSTEES. By J. A. SLATER, B.A., LL.B. With a chapter on Intestacy. In foolscap 8vo, cloth, 122 pp. **2s. 6d.** net.

MUNICIPAL AND LOCAL GOVERNMENT LAW. By H. EMERSON SMITH. LL.B. (Lond.). In demy 8vo, cloth gilt, 258 pp. **7s. 6d.** net.

THE LAW RELATING TO BUILDING AND BUILDING CONTRACTS. By W. T. CRESWELL, *of Gray's Inn and the South-Eastern Circuit, Barrister-at-Law.* In demy 8vo, cloth, 270 pp. **7s. 6d.** net.

THE LAW OF REPAIRS AND DILAPIDATIONS. By T. CATO WORSFOLD M.A., LL.D. In crown 8vo, cloth gilt, 104 pp. **3s. 6d.** net.

THE LAW OF EVIDENCE. By W. NEMBHARD HIBBERT, LL.D., *Barrister-at-Law.* Fourth Edition, Revised. In crown 8vo, 120 pp. **7s. 6d.** net.

THE LAW OF PROCEDURE. By the same Author. Third Edition. In demy 8vo, cloth gilt, 133 pp. **7s. 6d.** net.

BUSINESS REFERENCE BOOKS

BUSINESS MAN'S ENCYCLOPAEDIA AND DICTIONARY OF COMMERCE. A reliable and comprehensive work of reference on all commercial subjects. Edited by J. A. SLATER, B.A., LL.B. (Lond.). Assisted by upwards of 50 specialists as contributors. With numerous maps, illustrations, facsimile business forms and legal documents, diagrams, etc. In 4 vols., large crown 4to (each 450 pp.), cloth gilt. **£1 4s.** net.

BUSINESS BUILDING. A complete guide for the wholesaler, retailer, manufacturer, agent, etc. Edited by F. F. SHARLES, F.S.A.A. (Gold Medallist), A.C.I.S. Assisted by Specialist Contributors. In 2 vols., crown 4to, cloth gilt. Each **21s.** net.

BUSINESS MAN'S GUIDE. Eighth Revised Edition. With French, German, Spanish, and Italian equivalents for the Commercial Words and Terms. The work includes over 2,500 articles. In crown 8vo, cloth, 622 pp. **6s.** net.

BUSINESS FORECASTING AND ITS PRACTICAL APPLICATION. By W. WALLACE, B.Sc. In demy 8vo, cloth gilt. **7s. 6d.** net.

THE PROBLEM OF BUSINESS FORECASTING. By WARREN M. PERSONS WILLIAM TRUFANT FOSTER, and ALBERT J. HELLINGER, Junr. In demy 8vo, cloth gilt, 330 pp. **16s.** net.

BUSINESS FORECASTING. By D. F. JORDAN. Size 6 in. by 9 in., cloth, 270 pp. **16s.** net.

THE ROMANCE OF WORLD TRADE. By A. P. DENNIS, Ph.D., LL.D. In demy 8vo, cloth, 493 pp. **15s.** net.

COMMERCIAL ARBITRATIONS. By E. J. PARRY, B.Sc., F.I.C., F.C.S. In crown 8vo, cloth gilt. **3s. 6d.** net.

COMMERCIAL CONTRACTS. By the same Author. A Guide for Business Men. In crown 8vo, cloth, 200 pp. **5s.** net.

FINANCIAL ORGANIZATION AND MANAGEMENT. By C. W. GERSTENBERG, *Professor of Finance at New York University.* Size 6 in. by 9 in., cloth gilt, 739 pp. **25s.** net.

MONEY MAKING IN STOCKS AND SHARES. By S. A. MOSELEY. In demy 8vo, cloth gilt, 252 pp. **7s. 6d.** net.

THE SHAREHOLDER'S MANUAL. By H. H. BASSETT. In crown 8vo, cloth gilt, 140 pp. **3s. 6d.** net.

THE INVESTOR'S MANUAL. By W. W. WALL. In crown 8vo, cloth, 122 pp. **3s. 6d.** net.

THE STOCK EXCHANGE. ITS CONSTITUTION AND THE EFFECTS OF THE GREAT WAR. By W. HAMILTON WHYTE, M.A. In crown 8vo, cloth, 114 pp. **3s. 6d.** net.

DICTIONARY OF COMMERCIAL CORRESPONDENCE IN SEVEN LANGUAGES: ENGLISH, FRENCH, GERMAN, SPANISH, ITALIAN, PORTUGUESE, AND RUSSIAN. In demy 8vo, cloth, 718 pp. **12s. 6d.** net. Third Edition.

A MANUAL OF DUPLICATING METHODS. By W. DESBOROUGH. In demy 8vo, cloth, 90 pp., illustrated. **3s.** net.

SOCIAL CONSEQUENCES OF BUSINESS CYCLES. By MAURICE B. HEXTER. In demy 8vo, cloth gilt. **15s.** net.

STATISTICAL METHODS. By F. C. MILLS, *Associate Professor of Business Statistics, Columbia University.* **15s.** net.

BUSINESS STATISTICS. THEIR PREPARATION, COMPILATION, AND PRESENTATION. By R. W. HOLLAND, M.A., M.Sc., LL.D. In crown 8vo, cloth, 93 pp. **3s 6d.** net.

A MANUAL OF CHARTING. Size 6 in. by 9 in., cloth gilt, 116 pp. **6s.** net.

PITMAN'S BOOK OF SYNONYMS AND ANTONYMS. In crown 8vo, cloth, 140 pp. **2s. 6d.** net.

PITMAN'S OFFICE DESK BOOK. Contains information on most matters constantly required in business. In crown 8vo, cloth. **2s. 6d.** net.

THE ESSENTIALS OF PUBLIC SPEAKING. By W. C. DUBOIS, A.M., LL.B. In large crown 8vo, cloth, 276 pp. **8s. 6d.** net.

PUBLIC SPEAKING. By FRANK HOME KIRKPATRICK. In crown 8vo, cloth, 176 pp. **5s.** net.

OFFICE MACHINES, APPLIANCES, AND METHODS. By W. DESBOROUGH. In demy 8vo, cloth gilt, 157 pp. **6s.** net.

COMMERCIAL COMMODITIES. By F. MATTHEWS, B.Sc., A.I.C., F.C.S. In demy 8vo, cloth gilt, 326 pp. **12s. 6d.** net.

FRUIT AND THE FRUIT TRADE. By FORD FAIRFORD. In demy 8vo, cloth, 162 pp. **6s.** net.

HOW TO COLLECT ACCOUNTS BY LETTER. By C. HANNEFORD-SMITH. In crown 8vo, cloth gilt, 94 pp. **3s. 6d.** net.

HOW TO GRANT CREDIT. By CUTHBERT GREIG, *Secretary, London Association for Protection of Trade, Ltd.* In crown 8vo, cloth, 102 pp. **3s. 6d.** net.

COMMERCIAL ATLAS OF THE WORLD. In crown 4to, cloth, 140 pp. **5s.** net.

COMMON COMMODITIES AND INDUSTRIES SERIES

In each of the handbooks in this series a particular product or industry is treated by an expert writer and practical man of business. Beginning with the life history of the plant, or other natural product, he follows its development until it becomes a commercial commodity, and so on through the various phases of its sale in the market and its purchase by the consumer Industries are treated in a similar manner.

Each book in crown 8vo, illustrated. 3s. net.

Acids and Allis
Alcohol in Commerce
Aluminium
Anthracite
Asbestos
Bookbinding Craft and Industry, The
Boot and Shoe Industry
Bread Making
Brush Making
Butter and Cheese
Button Industry, The
Carpets
Clays
Clocks and Watches
Cloth and the Cloth Trade
Clothing Trades Industry
Coal
Coal Tar
Cocoa
Coffee
Cold Storage and Ice Making
Concrete and Reinforced Concrete
Copper
Cordage and Cordage Hemp and Fibres
Corn Trade, The British
Cotton
Cotton Spinning
Cycle Industry, The
Drugs in Commerce
Dyes
Electric Lamp Industry
Electricity
Engraving
Explosives, Modern
Fertilizers
Film Industry, The
Fishing Industry, The
Furniture
Furs
Gas and Gas Making
Glass
Gloves and the Glove Trade
Gold
Gums and Resins
Incandescent Lighting
Ink
Internal Combustion Engine
Iron and Steel
Ironfounding
Jute
Knitted Fabrics
Lead
Leather
Linen
Locks and Lockmaking
Match Industry
Meat
Motor Boats
Motor Industry, The
Nickel
Oil Power
Oils
Paints and Varnishes
Paper
Patent Fuels
Perfumery
Petroleum
Photography
Platinum Metals
Player Piano, The
Pottery
Rice
Rubber
Salt
Shipbuilding
Silk
Silver
Soap
Sponges
Starch
Stones and Quarries
Straw Hats
Sugar
Sulphur
Talking Machines
Tea
Telegraphy, Telephony, and Wireless
Textile Bleaching
Timber
Tin and the Tin Industry
Tobacco
Velvet and Corduroy
Wallpaper
Weaving
Wheat
Wine and the Wine Trade
Wool
Worsted
Zinc

PITMAN'S SHORTHAND

Invaluable for all Business and Professional Men

LONDON: SIR ISAAC PITMAN & SONS, LTD., PARKER ST., KINGSWAY, W.C.2

PRINTED IN GREAT BRITAIN AT THE PITMAN PRESS, BATH
(3151W)